





Rpublic 7-7500 Extension 3261

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Office of the Federal Register, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1.50 per month or \$15.00 per year, payable in advance. The charge for individual copies (minimum 15 cents) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D.C.

The regulatory material appearing herein is keyed to the CODE OF FEDERAL REGULATIONS, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended August 5, 1953. The CODE OF FEDERAL REGULATIONS is sold by the Superintendent of Documents. Prices of books and pocket supplements vary.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER, or the CODE OF FEDERAL REGULATIONS.

**CFR SUPPLEMENTS**

(As of January 1, 1960)

The following books are now available:

**Title 36 (Revised) (\$3.00)**

**Title 46, Parts 146-149 (Revised) (\$6.00)**

Order from Superintendent of Documents, Government Printing Office, Washington 25, D.C.

**CONTENTS—Continued**

<b>Federal Aviation Agency</b>	Page
Rules and regulations:	
Modifications:	
Associated control areas and Federal airway	1207
Federal airway	1207
<b>Federal Communications Commission</b>	
Notices:	
Hearings, etc.:	
Balch, Raymond D.	1231
Bennion, Sam H., and James C. Wallentine	1231
Southbay Broadcasters	1231
Walmac Co.	1231
Proposed rule making:	
Announcement of sponsored programs	1226

**CONTENTS—Continued**

<b>Federal Communications Commission—Continued</b>	Page
Proposed rule making—Continued	
Quiz programs or other contests of intellectual skill or knowledge	1226
Rules and regulations:	
Aviation services; issuance of aircraft radio station licenses to aliens and their representatives	1208
Commercial radio operators; issuance of commercial radio operator licenses to certain alien aircraft pilots	1208
<b>Federal Power Commission</b>	
Notices:	
Hearings, etc.:	
Aikman, Claud E., et al.	1228
French, L. R., Jr., et al.	1227
Hugoton Plains Gas & Oil Co.	1230
Skelly Oil Co. et al.	1228
<b>Federal Trade Commission</b>	
Rules and regulations:	
Prohibited trade practices:	
Rosen, David, Inc., et al.	1206
Steacie Garnetting Co. et al.	1206
<b>General Services Administration</b>	
See Defense Materials Service.	
<b>Interior Department</b>	
Notices:	
Alaska Railroad rate increase; hearing	1230
<b>Interstate Commerce Commission</b>	
Notices:	
Fourth section applications	1234
Motor carrier transfer proceedings	1235
Rules and regulations:	
Motor Carrier Annual Report Form B (class II carriers of property)	1209
<b>Securities and Exchange Commission</b>	
Notices:	
Hearings, etc.:	
L & L Scrap Iron Corp.	1232
Skiatron Electronics and Television Corp.	1232
<b>Small Business Administration</b>	
Notices:	
Delegation relating to financial assistance, procurement and technical assistance and administrative functions; Branch Managers:	
Omaha, Nebr.	1232
St. Louis, Mo.	1233
Wichita, Kans.	1234
<b>Treasury Department</b>	
Notices:	
Consolidated Mutual Insurance Co.; acceptable reinsuring company on Federal bonds	1230
<b>Veterans Administration</b>	
Rules and regulations:	
Education of Korean Conflict veterans; commencement; time limitations	1207

**CODIFICATION GUIDE**

A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.

A Cumulative Codification Guide covering the current month appears at the end of each issue beginning with the second issue of the month.

<b>5 CFR</b>	Page
201	1199
208	1199
<b>6 CFR</b>	
332	1199
<b>7 CFR</b>	
Proposed rules:	
906	1210
911	1211
918	1212
<b>10 CFR</b>	
Proposed rules:	
50 (3 documents)	1224, 1225
<b>14 CFR</b>	
600 (2 documents)	1207
601	1207
<b>16 CFR</b>	
13 (2 documents)	1206
<b>33 CFR</b>	
203	1205
<b>38 CFR</b>	
21	1207
<b>47 CFR</b>	
9	1208
13	1208
Proposed rules:	
3 (2 documents)	1226
<b>49 CFR</b>	
205	1209

Sec.	
332.9	Requesting title service and accepting option.
332.10	Cancellation of loan.
332.11	Increase or decrease in amount of loan.
332.12	Occupancy of farms by borrowers acquiring land.
332.13	Action by State Office after approval of insured loan.
332.14	Actions subsequent to receipt of preliminary title evidence and prior to loan closing.
332.15	Loan closing actions.
332.16	Loans to homestead entrymen.
332.17	Loans to contract purchasers on Reclamation projects.

**AUTHORITY:** §§ 332.1 to 332.17 issued under secs. 3, 41, 44, 50 Stat. 523, as amended, 528, as amended, 530, as amended, sec. 4, 64 Stat. 100, sec. 18, 72 Stat. 840; 7 U.S.C. 1003, 1015, 1018, 40 U.S.C. 442, 7 U.S.C. 1006e. Order of Acting Sec. of Agric., 19 F.R. 74, 22 F.R. 8188. §§ 332.16 and 332.17 also issued under sec. 1, 63 Stat. 883; 7 U.S.C. 1006a. Additional authority is cited in parentheses following the sections affected.

**§ 332.1 General.**

Insured and direct Farm Ownership loans will be processed in accordance with this part. As used in this part, the term "insured loan under a 2(f) agreement" means a loan by the United

States as trustee of the assets of a State Rural Rehabilitation Corporation under section 2(f) of the Rural Rehabilitation Corporation Trust Liquidation Act. The term "private lender" means any source of insured funds other than the insurance fund and funds made available under a 2(f) agreement.

### § 332.2 Optioning of land.

When land is to be purchased, the applicant will be responsible for selecting the land he intends to purchase and for obtaining an option on such land. Ordinarily, the County Committee should have viewed the applicant with favor before he obtains an option on the land to be purchased. The County Supervisor should, if possible, prior to the applicant's selection of the land to be purchased, advise him with respect to the approximate size and quality of farms which are generally considered as family-type farms in the particular county. Such advice, together with the consideration of the applicant's eligibility by the County Committee before the land is selected, will save applicants' time in looking for farms and will reduce the number of options taken on farms which are obviously too small, too large, or too unproductive to qualify for the Farm Ownership program. Form FHA-188, "Option to Purchase Real Property," will be given to the applicant with an explanation of the provisions of the Form and how it will be completed. Generally, the Farmers Home Administration option form should be used; however, other option forms may be used if their provisions are acceptable.

(a) The County Supervisor is responsible for examining each completed option to determine if it is acceptable. When the County Supervisor is doubtful as to whether the option is acceptable due to questions of a legal or administrative nature, such as the effect of mineral or other reservations on the applicant's or the Government's interest, or unusual conditions or alterations of the Farmers Home Administration option form or other option form, if used, he will forward the option to the State Office with a memorandum indicating the extent to which the exceptions are or may be objectionable and request the advice of the State Director. The State Director will contact the Attorney in Charge when legal advice is needed.

(b) The County Supervisor also will determine that:

(1) At least one dollar is actually paid to the seller by the applicant and the receipt for this amount is acknowledged in the option.

(2) The option protects the interests of the applicant, and that the option is recorded, if necessary. Recordation fees will be paid by the applicant.

(3) The following clause is inserted in options in connection with loans which involve more than one tract: "The seller agrees that, irrespective of any other provision in this option, the buyer or his assignees may, if the option is accepted, without any liability therefor, refuse to accept conveyance of the property described herein if the aforesaid loan cannot be made or insured because

of defects in the title to other land now owned by or being purchased by, the buyer."

(c) When a tract of land is to be optioned and subdivided, the applicant, in whose name the option to be taken, must be advised by the County Supervisor that he is not designated as an agent or trustee and will not receive any remuneration for assigning interest in the option to other applicants. The County Supervisor is responsible for explaining to the seller and the applicant in whose name the option is taken, the terms and conditions of the option including the provision that the seller will provide an accurate survey if required by the Government. If the tract is determined to be suitable, an option will be taken on Form FHA-188A, "Option for Purchase of Farm—Land to be Subdivided." The tract will be subdivided into units, each unit will be surveyed, and the applicant in whose name the tract is optioned, with the guidance of the County Supervisor, will execute Form FHA-188B, "Assignment of Interest in Option (Land to be Subdivided)," with each applicant who is to receive one of the units. If it becomes necessary for the State Director to designate an applicant as assignee of an interest in the option, Form FHA-188C, "Designation of Assignee of Interest in Option (Land to be Subdivided)," will be used.

(Secs. 1, 2, 50 Stat. 522, as amended, 523, as amended; 7 U.S.C. 1001, 1002)

### § 332.3 Suitability of farm for the Farm Ownership program.

(a) *Responsibility for determining suitability of farms.* The County Supervisor is responsible for making a preliminary determination with respect to whether a loan can be made on the farm. This determination will be based on a personal inspection of the farm and the consideration of such factors as productivity of the land; condition and adequacy of the buildings; approximate value of the farm; approximate amount of funds required for land purchase, refinancing or development; available title information; legal description and boundaries of the farm; roads, schools, markets, and other community facilities; tax rates; and adequacy of the water supply.

(b) *Development of loan docket and plans.* When the County Supervisor makes a preliminary determination that a loan can be made, he also will determine if it is a family-type or less than family-type farm and proceed to develop the loan docket. Farm and Home Plans will be prepared on Form FHA-14A, "Longtime Farm and Home Plan," when applicable, and Form FHA-14, "Farm and Home Plan." The farm development plan will be prepared in accordance with Part 304, Subpart B, of this chapter. When the Farm and Home Plan(s) and the tentative draft of the farm development plan have been completed, the County Supervisor will request the services of the appraiser. If it appears that a loan cannot be made, the County Supervisor will promptly notify the applicant of the specific reasons for the decision. In case the applicant is dissatisfied

with the decision and requests further consideration, the County Supervisor may ask the County Committee to consider the farm and give an opinion regarding its suitability for a Farm Ownership loan.

(Secs. 1, 2, 50 Stat. 522, as amended, 523, as amended; 7 U.S.C. 1001, 1002)

### § 332.4 County Committee certification.

The County Supervisor will arrange for a meeting of the County Committee to inspect the farm, and to make the necessary determinations with respect to the applicant and the farm. He will make available to the Committee completed Forms FHA-596, "Appraisal Report"; FHA-596B, "Map of Farm"; FHA-643, "Farm Development Plan"; and FHA-14. He will also make available Form FHA-14A for all full-time farmers. However, when a loan is being made to an active borrower for whom Farm and Home Plans have been developed in connection with other Farmers Home Administration loans, existing Forms FHA-14 and FHA-14A will be revised to show a current financial statement and significant changes in the plan of operation.

(a) *Certification as to applicant.* The County Committee is responsible for certifying as to the eligibility of each applicant to receive the benefits of Title I of the Bankhead-Jones Farm Tenant Act, as amended, and that, in the opinion of the Committee, the applicant by reason of his character, ability, industry, and experience honestly will endeavor to, and successfully will, carry out undertakings and obligations required of him under a Farmers Home Administration loan. The Committee also will determine that credit, sufficient in amount to finance the needs of the applicant, is not available to him at the rates (but not exceeding the rate of 5 percent per annum) and terms similar to those prevailing in the community in or near which the applicant resides for loans of similar size and character from commercial banks, cooperative lending agencies, or from any other responsible source.

(b) *Certification as to farm.* The County Committee is responsible for certifying that the farm is of such character that there is a reasonable likelihood that the making of the loan will carry out the purposes of Title I. The County Committee also is responsible for certifying as to the fair and reasonable value of the farm based upon its normal earning capacity for a family-type farm or normal market value for a less than family-type farm. The County Committee's certification as to the fair and reasonable value of the farm should represent its determination with respect to the farm under consideration after personally inspecting the farm and reviewing Form FHA-596. Usually, the inspection of the farm will be accomplished by the Committee as a group in order to obtain the benefit of group discussion.

(Sec. 2, 50 Stat. 523, as amended; 7 U.S.C. 1002)

### § 332.5 Deferred payments.

(a) For a direct Farm Ownership loan, the initial payment may be deferred until the end of the second full crop year from

the date of the loan. Such payments may be deferred only when the Farm and Home Plan covering the first full crop year indicates that there will be insufficient income to meet a regular annual installment on the loan after farm operating, family living, and other essential expenses are paid during the first or first and second full crop years. Further, in the judgment of the loan approval official, there must be adequate evidence that income in subsequent years will be sufficient to meet the requirements of the loan. The initial payment must always be more than a nominal payment. Deferred payments should not be used to permit the accelerated repayment of other debts, to purchase an unusually large amount of capital goods, or to perform major items of land development. Deferment will be justified only when:

(1) There is a substantial reorganization of the farming system, adequate returns from which will be delayed for one or two full crop years; or

(2) There is being established a system of farming requiring substantial improvements in land clearing, draining, leveling, irrigating, basic fertilizing, and seeding, or other land development or soil improvement operations, adequate returns from which will be delayed for one or two full crop years.

(b) For an insured loan made by a private lender, in addition to meeting the requirements for a direct Farm Ownership loan, the initial payment may be deferred only when the lender has agreed to such deferment and the deferment does not violate State or local laws or regulations to which the lender may be subject. When a loan is to be made from the insurance fund or under a 2(f) agreement, the initial payment will not be deferred.

(Sec. 48, 50 Stat. 581, as amended; 7 U.S.C. 1022)

### § 332.6 Second mortgage loan.

When a loan is to be secured by a second mortgage, the following items will apply:

(a) *Agreements with prior lienholders.* Agreements with prior lienholders regarding enforcement of objectionable provisions of their liens or giving notice of foreclosure or assignment of their liens, or both, will be obtained when required by Part 307 of this chapter.

(b) *Items for docket.* The applicant will be required to furnish the County Supervisor, before the docket is assembled, a copy of any mortgage held by the prior lienholder and either the note or the maturity date of the note and the repayment schedule so that a proper determination can be made as to whether it should be refinanced. In addition, the County Supervisor will be furnished a current statement from the mortgagee showing the correct outstanding principal balance of the existing mortgage(s), the amount of any accrued interest, whether the account(s) is (are) current or delinquent, and rate of interest, if not shown in the mortgage. This information will be included in the docket for the information of the loan approval official. Any cost incident securing a copy

of a mortgage or current statement will be paid by the applicant.

### § 332.7 Preparation of loan docket.

Forms required in loan processing will be prepared in the County Office. The County Supervisor will assemble the loan docket when the County Committee has signed Form FHA-491, "County Committee Certification (Farm Ownership Loans)." The County Supervisor will determine whether or not refinancing is the primary purpose of the loan. This determination will be indicated on Form FHA-981, "Farm Ownership Fund Analysis." Loans primarily for refinancing will include loans which are entirely for refinancing and fees, and loans for refinancing which also include funds for land purchase or land or building development which will not significantly improve the farming operations or housing for the family. Loans primarily for purposes other than refinancing include those which will provide for buying or enlarging a farm, or land or building development which will significantly improve the farming operations or housing for the family. If the applicant is a veteran, the County Supervisor will review the applicant's evidence of discharge or release and determine that the applicant is a veteran. Upon making such a determination, he will indicate that the applicant is entitled to veterans' preference by entering the date and his initials on the front of Form FHA-197, "Application for FHA Services." The loan docket will be submitted to the State Office.

### § 332.8 Approval or disapproval of loan.

If a loan is approved, the loan approval official will indicate approval of the loan on Form FHA-476, "Record of Actions," and sign the original. For loans to be made from the insurance fund, insert the following in the comments section of Form FHA-476: "The loan is approved subject to the availability of funds." If the loan is disapproved, the loan approval official will explain on Form FHA-476 the reasons therefor and initial and date the original. The County Supervisor will notify the applicant, giving the reasons for the disapproval of the loan.

### § 332.9 Requesting title service and accepting option.

The County Supervisor will see that title service is requested in accordance with Part 307 of this chapter, and where land is being acquired, also see that Form FHA-191, "Acceptance of Option," is completed, signed, and mailed to the seller; however, in connection with acceptance of option on a subdivision, Form FHA-191A, "Acceptance of Option by Assignee (Land to be Subdivided)," and Form FHA-191B, "Acceptance of Option by Buyer (Land to be Subdivided)," will be used, as appropriate.

### § 332.10 Cancellation of loan.

Loans may be cancelled before loan closing by the County Supervisor's preparing Form FHA-903, "Request for Cancellation of Loan," and forwarding it to the State Office. If the loan approval official agrees with the request for

cancellation, he will sign Form FHA-903 and return it to the County Office. Any checks advanced by a private lender will be returned promptly to the lender with an explanatory letter. Interested parties will be notified of the cancellation.

### § 332.11 Increase or decrease in amount of loan.

If it becomes necessary that the amount of the loan be increased or decreased, the County Supervisor will request that all distributed docket forms be returned to the County Office. The loan docket will be revised accordingly and reprocessed.

### § 332.12 Occupancy of farms by borrowers acquiring land.

When the acceptance of option letter has been mailed to the seller, the borrower will arrange with the seller, in consultation with the supervisor, to occupy and operate the farm as soon as practicable. Agreements will be in writing and cover such subjects as disposition of growing crops, rentals, payment of maintenance cost, and other pertinent points. Forms FHA-189, "Short-Term Lease of Optioned Land"; FHA-198, "Short-Term Lease (Between Purchaser and Seller)"; FHA-129, "Temporary Cropping License"; or FHA-199, "Agreement (Between Seller, Purchaser, and Tenant)," will be used, as appropriate.

### § 332.13 Action by State Office after approval of insured loan.

For an insured loan by a private lender, when Form FHA-971, "Request for Check," is received from the County Office, the State Office will check or insert the name and address of the lender, attest the signature of the County Supervisor on the original of Form FHA-971, and forward the original to the lender.

### § 332.14 Actions subsequent to receipt of preliminary title evidence and prior to loan closing.

(a) *County Supervisor.* When the preliminary title evidence is received, it will be processed in accordance with Part 307 of this chapter. When necessary curative actions have been taken to provide a satisfactory title and a date has been set for loan closing, the County Supervisor will order the loan check. For an insured loan by a private lender, the County Supervisor will request the check by preparing Form FHA-971 in an original and one copy and submit the original to the State Director. If the name of the lender is known, the County Supervisor will enter it on Form FHA-971. If the lender does not require attestation of the County Supervisor's signature, the original Form FHA-971 may be delivered to the lender and the copy sent to the State Office. In a case where the seller is to become the lender, the amount of the check requested will be only for the amount of cash, if any, he will advance. Whenever the bank handling a supervised bank account will require the lender's personal check to clear before disbursing funds, the lender should be requested to furnish a certified or cashier's check. When suitable arrangements can be made with the

lender, a bank draft may be used to obtain insured loan funds. The lender or his representative may present the check at the time the loan is closed, or if desired, the check may be mailed to the County Supervisor.

(b) *Designated attorney or title insurance company.* When the designated attorney or title insurance company receives the County Supervisor's comments on the preliminary title evidence and the necessary waivers, it will be determined if a satisfactory title can be obtained. When it is determined that a satisfactory title can be obtained, the designated attorney or title insurance company will consult with the County Supervisor as to a suitable closing date. Closing documents will be prepared in accordance with Part 307 of this chapter.

(c) *Attorney in Charge.* When the services of the Attorney in Charge are to be used, title clearance and closing documents will be in accordance with Part 307 of this chapter and the closing instructions issued by the Attorney in Charge.

#### § 332.15 Loan closing actions.

When a loan closing date has been agreed upon, the County Supervisor will notify the borrower and seller, if any, of the loan closing date. The loan will be closed in accordance with the applicable provisions of Part 307 of this chapter and the following appropriate actions will be taken prior to and after loan closing:

(a) *Applicant's financial condition.* The County Supervisor will review with the applicant the financial statement which was prepared at the time the docket was developed. If there have been significant changes in his financial condition, the financial statement will be revised. When an applicant's financial condition has changed to the extent that it appears that the loan would be unsound or improper, the County Supervisor will submit a revised loan docket to the loan approval official for reconsideration.

(b) *Change in use of funds planned for refinancing.* (1) In cases where funds are included in the loan to refinance debts, the County Supervisor is authorized to transfer funds planned for refinancing between debts, provided all debts for which loan funds were planned are paid and the amount of loan funds to be used for refinancing does not exceed the amount planned for such purpose; except that the County Supervisor is authorized to use funds planned for other purposes to pay small deficiencies in estimates of the amount needed for refinancing, if he determines that sufficient funds will remain available to complete the planned farm development or land purchase.

(2) When the total amount of debts planned to be paid have increased so that they cannot be met within the authorities in subparagraph (1) of this paragraph or the applicant desires to transfer funds to pay debts for which loan funds were not planned, a revised loan docket will be submitted to the loan approval official for reconsideration. If Form FHA-981 has been revised and the

loan is approved, the State Director will send a copy of the revised form to the Finance Office. If the total amount of the loan will be increased, the docket will be processed in accordance with § 332.11.

(c) *Insured loan made by a private lender.* When a loan check has been received and the loan cannot be closed on the date set for loan closing or within 21 days from the date of the check, it will be returned to the lender with a request for cancellation. When a loan check is lost or destroyed, the County Supervisor will immediately notify the lender and, if the borrower still desires to close the loan, the lender will be requested to issue a new check. When a check is returned and the loan will be closed at a subsequent date, another check will be requested in accordance with the provisions of § 332.14(a).

(d) *Direct loan or insured loan made from the insurance fund or under a 2(f) agreement.* When a loan check has been issued and for any reason the loan cannot be closed within 21 days from the date of the check, or there is reasonable doubt as to whether the loan can be closed, the loan check will be returned to the United States Treasury Regional Disbursing Office, together with a letter explaining the reasons for nondelivery.

(e) *Deposit of check.* The loan check will be deposited in a supervised bank account, in accordance with Part 303 of this chapter, on the date of loan closing after it has been determined that the loan can be closed. When a lender issues a loan check payable jointly to the borrower and the Farmers Home Administration, the County Supervisor is authorized to endorse the check on behalf of the Farmers Home Administration at the time of loan closing as follows: "Endorsed without recourse: Farmers Home Administration, By \_\_\_\_\_, Title \_\_\_\_\_." The State Director also is authorized to endorse such a check in the same manner.

(f) *Assignment of income from property to be mortgaged.* Assignments will be taken when income is to be received by the borrower from royalties, leases, or other existing agreements under which the value of the security will be depreciated. Such assigned income will be applied as an extra payment on the loan. When the County Supervisor deems it advisable, assignments may also be taken for all or a portion of the income derived from nondepleting items such as bonus payments or annual delay rentals. Such assigned income will be applied as a regular payment. When a second mortgage loan is made, the written consent of the prior lienholder to the assignment will be obtained either by a letter or written approval by the lienholder on the assignment form.

(1) In cases in which income is to be received by the borrower from a mineral lease or other existing agreement pertaining to the property at the time of purchase, a Form FHA-253, "Assignment of Income from Real Estate Security," will be prepared and executed by the borrower and his wife at the time of loan closing. The original and one copy will be forwarded to the lessee with the

request that the original be signed and returned to the County Office.

(2) If he deems it advisable, the County Supervisor, upon advice of the designated attorney, title insurance company, or Attorney in Charge, as appropriate, may require the acknowledgment and recordation of the assignment. Any cost incident thereto will be borne by the borrower.

(g) *Collection of appraisal fee for insured loans.* The County Supervisor will collect a \$20 appraisal fee from each applicant at the time of loan closing. This fee may be included in the loan. Form FHA-37, "Receipt for Payment," will be prepared for the appraisal fee payment.

(h) *Preparation and endorsement of note.* Form FHA-190, "Promissory Note (Direct Farm Ownership Loan)," for direct loans or Form FHA-251, "Promissory Note (Insured FO Loan)," for insured loans will be prepared and completed at the time of loan closing.

(1) When determining the amount of the first installment, the County Supervisor will consider the borrower's financial circumstances and the extent to which he will receive income from the farm during the calendar year preceding the date of the first installment. The amount of the first installment may be less but not more than a regular annual installment. If the borrower will not receive income from the farm during the calendar year preceding the date of the first installment, a nominal first installment will be sufficient, unless the borrower desires to pay more, except that:

(i) For an insured loan by a private lender, the amount of the first installment may not be less than the amount equal to interest on the loan from the date of loan closing to the next succeeding January 1, unless the lender has agreed to a lesser amount.

(ii) For an insured loan made from the insurance fund or under a 2(f) agreement, the amount of the first installment may not be less than the amount equal to interest on the loan from the date of loan closing to the next succeeding January 1.

(2) The regular amortized installment will be the amount of principal and interest which, if paid annually, will retire the full amount of the note plus interest within the amortization period of the loan.

(3) When a loan is closed between December 1 and January 1, the first installment will be collected at the time of loan closing unless deferment is approved.

(4) The promissory note will be signed by the borrower and his or her spouse, if married, unless under the provisions of Part 307 of this chapter, the spouse's signature is unnecessary.

(5) For insured loans, other than those made from the insurance fund, the promissory note will be assigned to the lender simultaneously with loan closing. This will be done by endorsing the note over to the lender, using the form of endorsement on the reverse of the note. Form FHA-250, "Insurance Endorsement (Insured FO or SW Loan)," will also be executed simultaneously with loan closing.

ing for delivery to the lender with the note. The rate of the annual charge to be inserted at the time of loan closing in Form FHA-250 is 1 percent.

(6) Each County Supervisor and each State Director is authorized to sign the endorsement on the reverse of the note and to execute Form FHA-250. The insurance endorsement constitutes the Government's contract of insurance of the loan.

(7) For loans from the insurance fund, the note will not be endorsed and the insurance endorsement will not be prepared until the loan is assigned from the insurance fund to a lender. In such cases, the Director, Finance Office, will sign the endorsement on the reverse of the note and will execute the insurance endorsement in accordance with Part 375 of this chapter.

(i) *Obtaining insurance.* When there are insurable buildings on the farm, the County Supervisor will see that adequate insurance is provided, effective as of the time of loan closing, in accordance with Part 306 of this chapter.

(j) *Loan closing.* Loans will be closed in accordance with Part 307 of this chapter. Immediately after loan closing, for a direct loan, the original Form FHA-190 will be sent to the Finance Office. For an insured loan by a private lender, the original Forms FHA-250 and FHA-251 will be sent to the lender and conformed copies will be sent to the Finance Office; from the insurance fund, the original and a conformed copy of Form FHA-251 will be sent to the Finance Office; and under a 2(f) agreement, the original Forms FHA-250 and FHA-251 will be sent to the State Director and conformed copies will be sent to the Finance Office. If, for any reason, it is not possible for the same County Supervisor who signed Form FHA-971 to endorse the note and sign the insurance endorsement, the original of the completed note and insurance endorsement will be sent to the State Office instead of directly to the lender. In such case, the State Director, or other authorized State Office official, will attest on Form FHA-250 the signature of the different County Supervisor before sending the note and insurance endorsement to the lender. This will not be necessary when a local lender has no objection to a different signature on the endorsement of the note and on the insurance endorsement from that which appeared on Form FHA-971. When the mortgage is returned by the recording official, it will be retained in the borrower's case folder. If the original is retained by the recording official, a conformed copy will be filed in the borrower's case folder. The original deed of conveyance, if any, and conformed copy of the mortgage will be delivered to the borrower. If the borrower secures an owner's policy of title insurance, the County Supervisor will deliver it to the borrower as soon as it is received from the title insurance company.

(k) *Effective time of loan closing.* A Farm Ownership loan is considered closed when the mortgage is filed for record.

(l) *Water stock certificates.* Water stock certificates will be sent to the State Office for safekeeping.

(m) *Abstracts of title.* Any abstract of title will be delivered to the borrower for safekeeping except, when an abstract is secured from a third party with the understanding it will be returned, such abstract will be sent directly to the third party. The County Supervisor will obtain a receipt from the borrower at the time the abstract is delivered to him. The receipt will be signed and dated by the borrower and the abstract will be identified in the receipt by showing the name of the abstractor who prepared the abstract; the number, if any, assigned by the abstractor; and the period covered by the abstract.

#### § 332.16 Loans to homestead entrymen.

(a) *General.* This section provides additional policies and procedures applicable to the making of insured and direct Farm Ownership loans to homestead entrymen.

(1) *Authority.* Public Law 361, 81st Congress (63 Stat. 883), authorizes the insuring and making of Farm Ownership loans to eligible homestead entrymen on unpatented public lands, including public lands within Federal reclamation projects, in accordance with the provisions of Title I of the Bankhead-Jones Farm Tenant Act, as amended.

(2) *Cooperation between the Department of Agriculture and the Department of the Interior.* The extension of financial assistance authorized in subparagraph (1) of this paragraph will be facilitated through the cooperation of the Farmers Home Administration, the Bureau of Land Management, and the Bureau of Reclamation.

(3) *Patent requirements.* All homestead entrymen will be expected to comply promptly and fully with pertinent laws and regulations of the Department of the Interior relating to the issuance of a patent for a homestead entry. When applicable, reclamation proof must be filed by the borrower at the earliest possible date.

(i) *Residence requirements.* The entryman must establish residence upon the land entered within six months from the date of allowance of entry. When he has established residence, he should notify the Manager of the District Land Office by mail or otherwise. Under certain conditions, additional time, not exceeding six months, may be allowed by the Bureau of Land Management. Residence must be maintained for a period of at least seven months during each of the first three years, except where credit is allowed for residence on account of military or naval service.

(ii) *Final homestead proof.* Final proof must be filed within 5 years from the date of allowance of entry issued to the entryman by the Bureau of Land Management. A patent will not be issued by the United States until the entryman has submitted final proof. Final proof must show that a habitable house is on the land at the time proof is submitted, that residence requirements have been met, that the improvements are of such character as to show good faith,

and that the entryman is a citizen of the United States. A habitable dwelling within the meaning of the homestead laws is any permanent building or structure erected on the land entered which is suitable for and actually occupied as a dwelling as distinguished from other buildings. When the entryman borrower is ready to submit final proof, he should notify the District Land Office and request instructions regarding the procedure to be followed.

(iii) *Reclamation proof.* Reclamation proof may be submitted with, or at any time after, the submission of homestead proof. In addition to the final homestead proof mentioned in subdivision (ii) of this subparagraph, the filing of reclamation proof is required as a condition in obtaining a patent to any entry within a reclamation project. Reclamation proof must show reclamation and cultivation of at least one-half of the irrigable area in the entry for two years immediately preceding the date of submission of proof and the payment of all reclamation charges due at that time. Reclamation proof, in proper form, must be submitted to the District Land Office accompanied by the payment of final homestead commissions.

(b) *Loan processing.* Existing Farm Ownership policies, procedures, and loan authorities will be followed, except as follows:

(1) *Applications—(i) Applications from homestead entrymen not in a Federal reclamation project.* An application for a Farm Ownership loan from a homestead entryman entering public land not within a Federal reclamation project will be considered only after the entryman has selected a farm and received his allowance of entry from the Bureau of Land Management. The original document showing allowance of entry must be attached to Form FHA-197, "Application for FHA Services."

(ii) *Applications from homestead entrymen in a Federal reclamation project.* An application for a Farm Ownership loan from a homestead entryman entering public land within a Federal reclamation project will not be considered until after the entryman has received a certificate of eligibility from the Bureau of Reclamation and has selected a farm. If at the time of making application the entryman has received his allowance of entry from the Bureau of Land Management, he will attach the original of such document to Form FHA-197. If the entryman has not received his allowance of entry, a copy of his certificate of eligibility must be attached to Form FHA-197. However, the docket will not be approved until the original document showing allowance of entry has been received from the applicant and placed in the loan docket.

(iii) *Supplemental information on applicant.* At the time of making application for a Farm Ownership loan, the homestead entryman may be requested to authorize the Farmers Home Administration to secure from the Bureau of Land Management or the Bureau of Reclamation any available information concerning his application

for homestead or reclamation entry which may be used by the Farmers Home Administration in determining his eligibility for the loan.

(2) *Special items in development of Farm Ownership dockets.* Loan dockets for loans to homestead entrymen will be prepared in accordance with §§ 332.1 to 332.15 or with Part 333 of this chapter, whichever is applicable, except that when the entryman's farm is located in a Federal reclamation project, any development items listed on Form FHA-643, "Farm Development Plan," must be consistent with the over-all plans for development of the reclamation project. If the development plans for the unit conflict with the over-all plans for the development of the Federal reclamation project, officials of the Bureau of Reclamation will so advise the County Supervisor. The processing of the loan will not be delayed while awaiting such advice from the Bureau of Reclamation.

(3) *Title clearance.* The entryman applicant will be required to furnish and pay for a certified statement prepared by a qualified title examiner (including designated attorneys) or abstractor which will include findings with respect to any outstanding land leveling contracts and any other claims of any kind on record against the entry. When there is an outstanding land leveling contract, the applicant's copy of such contract also will be included in the loan docket and returned to the borrower when the loan is closed.

**§ 332.17 Loans to contract purchasers on Reclamation projects.**

(a) *General.* This section provides policies and procedure to be followed on the Columbia Basin Reclamation Project in Washington and on the Wellton-Mohawk Division of the Gila Project in Arizona in making insured and direct Farm Ownership loans to individuals who are contract purchasers of land from the Bureau of Reclamation.

(1) *Cooperation between the Department of Agriculture and the Department of the Interior.* The making of loans pursuant to this section will be facilitated through the cooperation of the Farmers Home Administration and the Bureau of Reclamation.

(2) *National Office consideration.* A loan application within the intent of, but not specifically covered by, this section will be submitted to the National Office for consideration.

(b) *Policies.* Existing Farm Ownership policies and loan approval authorities will be followed in processing loans to such contract purchasers with the following modifications: Loans may be made to contract purchasers who receive a deed to the farm from the Bureau of Reclamation at or before the time of loan closing. Such loans will be secured by a first real estate mortgage. Loans to contract purchasers will include sufficient funds for essential farm buildings, land development, water facilities, and other improvements needed to put the farm in livable and operable condition at the outset, and, when necessary, to provide for refinancing the following:

(1) The unpaid balance under the purchase contract owed to the Bureau of Reclamation;

(2) The unpaid balance of any purchase contract or other lien on any portion of the farm unit acquired by the applicant from parties other than the Bureau of Reclamation in accordance with the provisions of paragraph 9 of the purchase contract with the Bureau of Reclamation;

(3) Any mortgage or other agreement creating a lien on improvements placed on the farm in accordance with paragraph 11 of the purchase contract with the Bureau of Reclamation;

(4) Any construction or operation and maintenance charges, or irrigation district charges against the land which are due at the time of loan closing;

(5) The outstanding balance of any land leveling contract which is necessary to assure that the Government will obtain a first mortgage on the farm unit; and

(6) Any taxes legally assessed against the farm which are due at the time of loan closing.

If any items other than those specified are desired to be refinanced, the prior approval of the National Office will be required on an individual case basis.

(c) *Loan Processing.* Farm Ownership loan dockets will be prepared and processed in accordance with the provisions of the applicable procedures with the following modifications:

(1) *Consent by Bureau of Reclamation.* Written consent of the Bureau of Reclamation will be obtained prior to the making of the proposed loan.

(2) *Supplemental information on applicant.* At the time of making application for a Farm Ownership loan, the contract purchaser may be required to authorize the Farmers Home Administration to secure from the Bureau of Reclamation any available information concerning his purchase contract or application for a purchase contract which may be used by the Farmers Home Administration in determining his eligibility and qualifications for the loan.

(3) *Land leveling contracts.* When there is an outstanding land leveling contract, a copy of such contract will be included in the loan docket and marked for return to the County Supervisor.

(4) *Purchase contracts.* The County Supervisor will obtain from the applicant a copy of the purchase contract.

(d) *Loan closing.* Existing Farm Ownership procedures will be followed in the closing of these loans.

(e) *Property insurance.* Property insurance will cover the interests of the United States as they may appear under the Farm Ownership mortgage and the purchase contract.

Dated: February 4, 1960.

H. C. SMITH,  
Acting Administrator,  
Farmers Home Administration.

[F.R. Doc. 60-1334; Filed, Feb. 10, 1960; 8:47 a.m.]

## Title 33—NAVIGATION AND NAVIGABLE WATERS

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

#### PART 203—BRIDGE REGULATIONS

##### Hillsborough River, Fla.

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), § 203.465 governing the operation of certain drawbridges across Hillsboro River, Tampa, Florida, is hereby amended changing the name of the river to Hillsborough River and revising paragraph (a) to include the City of Tampa bridge at Krause Street and paragraph (b) to exclude the bridge at Garcia Avenue, the bridge having been removed from the waterway, as follows:

##### § 203.465 Hillsborough River, Tampa, Florida.

(a) *City of Tampa highway bridges at Platt and Krause Streets and State Road Department of Florida highway bridge at Lafayette Street.* \* \* \*

(b) *City of Tampa highway bridge at West Columbus Drive (Michigan Avenue).* (1) The owner of or agency controlling the bridge will not be required to keep a draw tender in constant attendance between 10:00 p.m. and 6:00 a.m.

(2) Persons requiring the opening of the draw of the bridge between 10:00 p.m. and 6:00 a.m. shall, except in an emergency, give one hour's advance notice of the time at which such opening will be required. Such notice may be given in person, in writing, or by telephone to the authorized representative of the owner of or agency controlling the bridge. Upon receipt of such notice, the authorized representative shall cause a draw tender to be on duty at the bridge at the time specified in the notice, and the bridge shall at such time and for a reasonable period thereafter be prepared to open promptly for the passage of vessels.

(3) The owner of or agency controlling the bridge shall keep conspicuously posted on both the upstream and downstream sides thereof, in such manner that it can be easily read at any time, a copy of the regulations in this paragraph, together with a notice stating exactly how the representative specified in subparagraph (2) of this paragraph may be reached.

[Regs., January 28, 1960, 285/91 (Hillsborough River, Fla.)—ENGWO] (Sec. 5, 28 Stat. 362; 33 U.S.C. 499)

R. V. LEE,  
Major General, U.S. Army,  
The Adjutant General.

[F.R. Doc. 60-1317; Filed, Feb. 10, 1960; 8:45 a.m.]

## Title 16—COMMERCIAL PRACTICES

### Chapter I—Federal Trade Commission

[Docket 7618 c.o.]

#### PART 13—PROHIBITED TRADE PRACTICES

##### Steacie Garnetting Co. et al.

Subpart—Misbranding or mislabeling: § 13.1185 *Composition*; 13.1185–90 *Wool Products Labeling Act*; § 13.1212 *Formal regulatory and statutory requirements*; 13.1212–90 *Wool Products Labeling Act*. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements*; 13.1852–80 *Wool Products Labeling Act*.

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2–5, 54 Stat. 1128–1130; 15 U.S.C. 45, 68–68(c)) [Cease and desist order, Steacie Garnetting Company et al., Framingham, Mass., Docket 7618, January 14, 1960]

*In the Matter of Steacie Garnetting Company, a Corporation, Curtis Steacie and John B. Steacie, Individually and as Officers of Said Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging manufacturers in Framingham, Mass., with violating the Wool Products Labeling Act by tagging as "100% wool", garnets of stock containing a substantial portion of "reprocessed wool", and by failing to comply with labeling requirements of the Act.

After acceptance of an agreement providing for a consent order, the hearing examiner made his initial decision and order to cease and desist which became on January 14 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That respondents Steacie Garnetting Company, a corporation, and its officers, and Curtis Steacie and John B. Steacie, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and the Wool Products Labeling Act of 1939, of "wool products", as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling, or otherwise identifying such products as to the character or amount of the constituent fibers contained therein;

2. Failing to securely affix to or place on each such product a stamp, tag, label,

or other means of identification showing in a clear and conspicuous manner:

(a) The percentage of the total fiber weight of such wool product, exclusive of ornamentation not exceeding five percentum of said total fiber weight of (1) wool, (2) reprocessed wool, (3) reused wool, (4) each fiber other than wool where said percentage by weight of such fiber is five percentum or more, and (5) the aggregate of all other fibers;

(b) The maximum percentage of the total weight of such wool products, of any non-fibrous loading, filling, or adulterating matter;

(c) The name or the registered identification number of the manufacturer of such wool product or of one or more persons engaged in introducing such wool product into commerce, or in the offering for sale, sale, transportation, distribution or delivery for shipment thereof in commerce, as "commerce" is defined in the Wool Products Labeling Act of 1939.

By "Decision of the Commission," etc., report of compliance was required as follows:

*It is ordered*, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: January 14, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 60-1325; Filed, Feb. 10, 1960; 8:46 a.m.]

[Docket 7670 c.o.]

#### PART 13—PROHIBITED TRADE PRACTICES

##### David Rosen, Inc., et al.

Subpart—Bribing Customers' Employees: § 13.315 *Employees of private concerns*.

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, David Rosen, Inc., et al., Philadelphia, Pa., Docket 7670, January 19, 1960]

*In the Matter of David Rosen, Inc., a Corporation, and David Rosen, and Joseph J. Wasserman, Individually and as Officers of Said Corporation*

This proceeding was heard by a hearing examiner on the complaint of the Commission charging an independent Philadelphia distributor of phonograph records to retail outlets and juke box operators in the eastern Pennsylvania and southern New Jersey area, with giving concealed "payola" (money or other valuable consideration) to disc jockeys or others as an inducement to broadcast records in which it had a financial interest.

After acceptance of an agreement providing for entry of a consent order, the hearing examiner made his initial decision and order to cease and desist which became on January 19 the decision of the Commission.

The order to cease and desist is as follows:

*It is ordered*, That respondents David Rosen, Inc., a corporation, and its officers, and David Rosen and Joseph J. Wasserman, individually and as officers of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with phonograph records which have been distributed in commerce, or which are used by radio or television stations in broadcasting programs in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Giving or offering to give, without requiring public disclosure, any sum of money or other material consideration, to any person, directly or indirectly, to induce that person to select, or participate in the selection of, and broadcasting of, any such records in which respondents, or any of them, have a financial interest of any nature.

2. Giving or offering to give, without requiring public disclosure, any sum of money, or other material consideration, to any person, directly or indirectly, as an inducement to influence any employee of a radio or television broadcasting station, or any other person, in any manner, to select, or participate in the selection of, and the broadcasting of, any such records in which respondents, or any of them, have a financial interest of any nature.

There shall be "public disclosure" within the meaning of this order by any employee of a radio or television broadcasting station, or any other person, who selects or participates in the selection and broadcasting of a record, when he shall disclose, or cause to have disclosed, to the listening public at the time the record is played, that his selection and broadcasting of such record are in consideration for compensation of some nature, directly or indirectly, received by him or his employer.

By "Decision of the Commission," etc., report of compliance was required as follows:

*It is ordered*, That respondents herein shall within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: January 19, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH,  
Secretary.

[F.R. Doc. 60-1326; Filed, Feb. 10, 1960; 8:46 a.m.]

# Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

## Chapter I—Veterans Administration

### PART 21—VOCATIONAL REHABILITATION AND EDUCATION

#### Subpart B—Education of Korean Conflict Veterans Under 38 U.S.C. Ch. 33

##### COMMENCEMENT; TIME LIMITATIONS

In § 21.2012, subparagraphs (1)(vi), (2)(i), (3), (4), and (5) are added to paragraph (b), former paragraph (c) is deleted and paragraph (d) is revised and renumbered paragraph (c), so that the amended material reads as follows:

##### § 21.2012 Commencement; time limitations.

\* \* \* \* \*

(b) *Continuous pursuit.* \* \* \*

(1) \* \* \*

(vi) Active duty, including active duty for training in the Armed Forces.

(2) \* \* \*

(i) Training shall be considered to have first become available within the meaning of this subparagraph (2) at the first enrollment period during which a full schedule of courses is offered by the school of the veteran's choice. Enrollment in summer school shall not be required.

(3) A veteran who timely initiated an approved program under the law and interrupted training under any one of the circumstances considered in subparagraph (1) of this paragraph for more than 12 consecutive months, but thereafter resumed training prior to August 15, 1958, at his own expense, may be paid a training allowance for all or that portion of such training as his remaining entitlement will cover, provided,

(i) He made application for reentrance into training but was denied, or if no application was filed because of advice received from an authorized source to the effect that his application would be denied under the terms of the then governing regulation but nevertheless resumed training prior to August 15, 1958, and

(a) The program in which he reenrolled was proper for pursuit under the law, and

(b) He furnishes a certification signed by an official of the enrolling institution certifying as to his attendance, conduct and progress for the whole of the period claimed.

(4) Under the specified conditions outlined in subparagraph (3) of this paragraph, station managers are authorized to waive the time limit specified in § 21.2054(a).

(5) Training allowance will not be paid under subparagraphs (3) and (4) of this paragraph for any period during which an otherwise eligible veteran has received unemployment compensation benefits.

(c) *Special administrative consideration.* (1) The provisions of paragraph (a) of this section will have been con-

structively met where a veteran timely filed an application but was prevented from initiating his program as a direct result of one of the following conditions:

(i) There is a record showing that his application was denied through clear and unmistakable error on the part of the Veterans Administration and the veteran protested the denial within 60 days following the date of notice of denial.

(ii) The applicant commenced his course within the period provided by an erroneous certificate of education and training issued on or before his deadline date.

(iii) There is evidence of record that the veteran was erroneously informed by a responsible Veterans Administration employee that he could commence his program after his deadline date and the veteran did in fact commence his course within the period provided by the misinformation.

(iv) The veteran's completed application was received in the Veterans Administration not later than the 10th workday immediately preceding the deadline date, the veteran established that he was prevented from commencing the program of education and training because the Veterans Administration did not issue a certificate for education and training on or before the 3d workday immediately preceding the deadline date and the veteran protested within 60 days following his deadline date.

(2) The burden of proof is upon the veteran to establish that he would have been able to initiate his program on or before his deadline date had it not been for one of the conditions listed in subparagraph (1) of this paragraph. When a favorable decision is made under subparagraph (1) (i) and (iv) of this paragraph the veteran must commence his program when the training first becomes available or 30 days after the date of notification by the Veterans Administration of his eligibility, whichever is later. Extension of these dates will not be approved.

(72 Stat. 1114; 38 U.S.C. 210)

This regulation is effective February 11, 1960.

[SEAL] ROBERT J. LAMPHERE,  
Associate Deputy Administrator.

[F.R. Doc. 60-1338; Filed, Feb. 10, 1960; 8:47 a.m.]

# Title 14—AERONAUTICS AND SPACE

## Chapter III—Federal Aviation Agency

### SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 59-WA-180; Amdt. 165]

#### PART 600—DESIGNATION OF FEDERAL AIRWAYS

##### Modification of Federal Airway

On October 21, 1959, a notice of proposed rule-making was published in the FEDERAL REGISTER (24 F.R. 8503) stating that the Federal Aviation Agency was proposing to modify VOR Federal airway

No. 1516 between Ponca City, Okla., and Springfield, Mo., via a VOR to be commissioned approximately July 1, 1960, near Oswego, Kans.

Because of a typographical error, the coordinates of the site of the new Oswego VOR were published in the Notice as "latitude 39°09'27", longitude 95°12'13". The correct coordinates are latitude 37°09'27" N., longitude 95°12'13" W. Subsequent to publication of the Notice, the commissioning date of the VOR was moved up to April 15, 1960. Neither of these corrections necessitates a change in the text of the amendment.

No comments were received regarding the proposed amendment.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted, and due consideration has been given to all relevant matter presented.

Pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) and for the reasons set forth in the Notice, the proposed amendment is hereby adopted without change and set forth below:

In the text of § 600.6616 VOR *Federal airway No. 1516 (San Francisco, Calif., to Washington, D.C.)*, delete "INT of the Ponca City VOR 076° and the Springfield VOR 261° radials;" and substitute therefor "Oswego, Kans., VOR; INT of the Oswego VOR 085° and the Springfield VOR 261° radials;".

This amendment shall become effective 0001 e.s.t., May 5, 1960.

(Secs. 307(a), 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., February 4, 1960.

GEORGE S. CASSADY,  
Acting Director, Bureau of  
Air Traffic Management.

[F.R. Doc. 60-1320; Filed, Feb. 10, 1960; 8:46 a.m.]

[Airspace Docket No. 59-WA-112]

[Amdt. 185]

#### PART 600—DESIGNATION OF FEDERAL AIRWAYS

[Amdt. 209]

#### PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

##### Modification of Federal Airway and Associated Control Areas

On October 24, 1959, a notice of proposed rule-making was published in the FEDERAL REGISTER (24 F.R. 8656) stating that the Federal Aviation Agency proposed to modify the segment of VOR Federal airway No. 166 between Hoopes, Pa., and Colts Neck, N.J.

No adverse comments were received regarding the proposed amendments.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and

due consideration has been given to all relevant matter presented.

Pursuant to the authority delegated to me by the Administrator (24 F.R. 4530) and for the reasons set forth in the Notice, the proposed amendments are hereby adopted without change and set forth below:

1. Section 600.6166 VOR Federal airway No. 166 (Martinsburg, W. Va., to New York, N.Y.):

(a) In the caption, delete "(Martinsburg, W. Va., to New York, N.Y.)" and substitute therefor "(Martinsburg, W. Va., to Westminster, Md., and New Castle, Del., to Colts Neck, N.J.)".

(b) In the text, delete "From the point of INT of the Philadelphia, Pa., International Airport ILS localizer 256° course and the West Chester, Pa., VOR 170° radial via the Philadelphia International Airport ILS localizer to the Colts Neck, N.J., VOR." and substitute therefor "From the New Castle, Del., VOR via the Robbinsville, N.J., VOR to the Colts Neck, N.J., VOR."

2. In the caption of § 601.6166 VOR Federal airway No. 166 control areas (Martinsburg, W. Va., to New York, N.Y.), delete "(Martinsburg, W. Va., to New York, N.Y.)" and substitute therefor "(Martinsburg, W. Va., to Westminster, Md., and New Castle, Del., to Colts Neck, N.J.)".

These amendments shall become effective 0001 e.s.t. April 7, 1960.

(Secs. 307(a), 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., on February 4, 1960.

GEORGE S. CASSADY,  
Acting Director, Bureau of  
Air Traffic Management.

[F.R. Doc. 60-1319; Filed, Feb. 10, 1960;  
8:46 a.m.]

## Title 47—TELECOMMUNICATION

### Chapter I—Federal Communication Commission

[Docket No. 13215; FCC 60-82]

#### PART 9—AVIATION SERVICES

##### Issuance of Aircraft Radio Station Licenses to Aliens and Their Representatives

1. A Notice of Proposed Rule Making in the above-entitled matter was released by the Commission on October 5, 1959. The Notice which made provision for the filing of comments by November 2, 1959, was duly published in the FEDERAL REGISTER on October 8, 1959 (24 F.R. 8189).

2. The amendment implements a provision of Public Law 85-817, approved August 28, 1958. This statute amended sections 303(1) and 310(a) of the Communications Act to give the Commission discretionary authority to issue, under certain circumstances, radio operator licenses to non-citizens and radio station licenses on aircraft to non-citizens or their representatives. The present Commission action incorporates into the Commission's rules one aspect of P.L. 85-817, namely, the empowering of the

Commission, at its discretion to issue aircraft radio station licenses to aliens or their representatives, provided they are holders of a valid United States Pilot Certificate.

3. Prior to the enactment of Public Law 85-817, aliens or their representatives were ineligible, under the Communications Act, for radio station licenses of any class. This created an anomalous situation in the field of aviation, whereby an alien could obtain a valid United States Pilot Certificate and legally operate an aircraft within the United States, but could not legally operate an aircraft radio station or hold an aircraft radio station license. This statute enables an alien or his representative to utilize an important safety feature of value not only to himself but to pilots, passengers and other air traffic, whose safety might be jeopardized by the lack of radio aboard the alien operated aircraft.

4. The question of security considerations involved in the issuance of licenses to aliens was the subject of much discussion in Congress prior to the enactment of the present legislation. Congress was made fully aware that the Federal Communications Commission had neither the personnel nor the funds to conduct an independent security investigation on each alien applicant. In addition, Congress recognized that the Federal Aviation Act contains a security provision that would cover the question. Consequently, Congress struck the reference to security considerations from the legislation to amend the Communications Act.

5. The fact that the primary responsibility in the area of security screening of aliens holding U.S. Pilot Certificates rests with another agency, does not mean that the Federal Communications Commission will grant licenses indiscriminately to any and all aliens solely because they hold valid U.S. Pilot Certificates. The Commission still has the affirmative responsibility of weighing the character of its applicants and to refuse to grant any license where it is unable to find that a grant would serve the public interest. Procedures have been established to obtain information from the applicant and Government agencies, such as, Department of Justice—Immigration and Naturalization Service, Federal Aviation Agency and Department of State. This information will be utilized in assessing the applicants character and in determining public interest.

6. In connection with the security aspect of licensing aliens, it is pertinent to note that non-citizens already operate radios in aircraft flying over the United States and have done so for many years. Under Article 30 of the Chicago Convention of 1944, to which more than sixty nations, including the United States, are parties, aircraft registered in any of these countries may carry and operate radio equipment over the territory of any other country which is a party to the Convention, provided that the equipment and personnel have appropriate authorization from the country in which the aircraft is registered.

7. In view of the fact that Congress, being fully apprised of the security considerations, passed the legislation and

that the Commission weighs the character of its applicants and must find that a grant would serve the public interest, it appears that the positive benefit to the safety of life in the air to be derived from the Commission's action outweighs the possible threat, if any, to national security. Therefore, the Commission has no alternative but to amend its rules to bring them into conformity with Public Law 85-817.

8. Comments in this proceeding were filed by Aeronautical Radio, Inc. (ARinc), and reply comments to the ARinc comments were filed by Aircraft Owners and Pilots Association.

9. All respondents favored the proposal, the general feeling being that it would contribute to aviation safety.

10. Since the amendment herein ordered imposes no new requirement on any applicant or licensee, but rather relieves an existing restriction, such an amendment may be made effective less than 30 days after publication as provided in section 4(c) of the Administrative Procedures Act.

11. In view of the foregoing: *It is ordered*, Pursuant to the authority contained in sections 303(r) and 310(a) of the Communications Act of 1934, as amended, that, effective February 3, 1960, Part 9 of the Commission's rules is amended as set forth below; and

12. *It is further ordered*, That the proceedings in Docket 13215 are hereby terminated.

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

Adopted: February 3, 1960.

Released: February 8, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,<sup>1</sup>  
[SEAL] MARY JANE MORRIS,  
Secretary.

Amend paragraph (a) of § 9.2, to read as follows:

§ 9.2 General citizenship requirements.

\* \* \* \* \*

(a) Any alien or the representative of any alien: *Provided, however*, That a license for a radio station on an aircraft may be granted to and held by a person who is an alien or a representative of an alien if such person holds a valid United States pilot certificate.

[F.R. Doc. 60-1340; Filed, Feb. 10, 1960;  
8:48 a.m.]

[Docket No. 13216; FCC 60-83]

#### PART 13—COMMERCIAL RADIO OPERATORS

##### Issuance of Commercial Radio Operator Licenses to Certain Alien Aircraft Pilots

1. On September 30, 1959, the Commission adopted a Notice of Proposed Rule-Making in the above-entitled mat-

<sup>1</sup> Concurring opinion of Commissioner Lee and dissenting statement of Commissioner Cross filed as part of the original document.

ter which was released on October 5, 1959, and published in the FEDERAL REGISTER on October 8, 1959 (24 F.R. 8189).

2. Comments supporting the proposal were submitted by Aeronautical Radio, and the Aircraft Owners and Pilots Association. No other comments or reply comments have been received and the time for filing comments has expired.

3. Section 13.4(c) as here published has been revised to delete the provision concerning suspension of alien operator licenses which was contained in rules attached to the Notice of Proposed Rule-Making. Suspension of alien operator licenses will follow the same procedure as suspension of licenses held by citizens.

4. The public interest, convenience and necessity will be served by the amendments herein ordered, the authority for which is contained in section 4(i), 303(l) and 303(r) of the Communications Act of 1934, as amended.

5. In view of the foregoing; *It is ordered*, That effective March 9, 1960, Part 13 of the Commission's rules is amended as set forth below; and

6. *It is further ordered*, That the proceedings in Docket No. 13216 are hereby terminated.

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

Adopted: February 3, 1960.

Released: February 8, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,<sup>1</sup>

[SEAL] MARY JANE MORRIS,  
Secretary.

1. Amend § 13.4 to read as follows:

§ 13.4 Term of licenses.

(a) Except as provided in paragraphs (b) and (c) of this section, commercial operator licenses will normally be issued for a term of five years from the date of issuance.

(b) Restricted Radiotelephone Operator Permits issued to U.S. citizens will normally be issued for the lifetime of the operator. The terms of all Restricted Radiotelephone Operator Permits issued prior to November 15, 1953, which were outstanding on that date were extended to encompass the lifetime of such operators.

(c) A commercial operator license, of any grade, granted to an alien aircraft pilot under a waiver of the U.S. citizenship provisions of section 303(1) of the Communications Act, until such time as the question of a national security policy has been determined with respect to such persons, will normally be issued for a

<sup>1</sup> Concurring opinion of Commissioner Lee; and dissenting statement of Commissioner Cross filed as part of the original document.

period not in excess of one year from the date of issuance. An operator license issued to an alien shall be valid only if the operator continues to hold an aircraft Pilot Certificate issued by the Civil Aeronautics Administration or the Federal Aviation Agency and is lawfully in the United States.

2. Amend § 13.5(a) to read as follows:

§ 13.5 Eligibility for new license.

(a) Normally, commercial licenses are issued only to U.S. citizens. As an exception, in the case of an alien who holds an Aircraft Pilot Certificate issued by the Civil Aeronautics Administration or the Federal Aviation Agency and is lawfully in the United States, the Commission, if it finds that the public interest will be served, may waive the requirement of citizenship.

3. Amend § 13.11 by adding new paragraph (c) as follows:

§ 13.11 Procedure.

(c) A license, other than a Restricted Radiotelephone Operator Permit, issued for a term of less than five years (see § 13.4), may be extended for a period not exceeding the portion of the five-year term remaining, without further examination, provided proper application for extension is filed prior to expiration of the license.

4. Add new § 13.76 as follows:

§ 13.76 Limitation on aircraft pilots.

Notwithstanding any other provision of this Part, a license issued to an aircraft pilot under a waiver of the requirement of U.S. citizenship pursuant to section 303(1) of the Communications Act shall be valid only for such operation of radio stations on aircraft as is complementary to his functions and duties as a pilot.

[F.R. Doc. 60-1341; Filed, Feb. 10, 1960; 8:48 a.m.]

## Title 49—TRANSPORTATION

### Chapter I—Interstate Commerce Commission

#### SUBCHAPTER B—CARRIERS BY MOTOR VEHICLES

#### PART 205—REPORTS OF MOTOR CARRIERS

##### Motor Carrier Annual Report Form B (Class II Carriers of Property)

At a session of the Interstate Commerce Commission, Division 2, held at its office in Washington, D.C., on the 3d day of February A.D. 1960.

It appearing, that the matter of annual reports from Class II motor carriers

of property being under further consideration, and the changes to be effected by this order being minor changes in the data to be furnished, rule-making procedures under section 4(a) of the Administrative Procedure Act, 5 U.S.C. 1003, being deemed unnecessary:

*It is ordered*, That § 205.1a of the order of January 8, 1959, in the matter of Motor Carrier Annual Report Form B, be, and it is hereby, modified and amended, with respect to annual reports for the year ended December 31, 1959, and subsequent years, to read as shown below.

*It is further ordered*, That 49 CFR 205.1a be modified and amended to read as follows:

#### § 205.1a Annual reports of Class II carriers of property.

Commencing with the year ended December 31, 1959, and for subsequent years thereafter, until further order, all Class II motor carriers of property as described in the order of June 13, 1958, in the matter of Uniform System of Accounts for Class I Common and Contract Motor Carriers of Property, 49 CFR 182.01-1, viz., carriers with average annual gross operating revenues (including interstate and intrastate) of \$200,000 but less than \$1,000,000 from property motor carrier operations, are required to file annual reports in accordance with Motor Carrier Annual Report Form B (Property), which is attached to and made a part of this section.<sup>1</sup> Such report shall be filed in duplicate in the Bureau of Transport Economics and Statistics, Interstate Commerce Commission, Washington 25, D.C., on or before March 31 of the year following the year to which it relates.

(Sec. 204, 49 Stat. 546, as amended; 49 U.S.C. 304. Interpret or apply sec. 220, 49 Stat. 563, as amended; 49 U.S.C. 320)

*And it is further ordered*, That a copy of this order and of Motor Carrier Annual Report Form B (Property) shall be served on all Class II motor carriers of property subject to its provisions, and upon every trustee, receiver, executor, administrator, or assignee of any such motor carrier, and that notice of this order shall be given to the general public by posting a copy thereof in the office of the Secretary of the Commission in Washington, D.C., and by filing a copy thereof with the Director, Office of the Federal Register.

By the Commission, division 2.

[SEAL] HAROLD D. MCCOY,  
Secretary.

[F.R. Doc. 60-1337; Filed, Feb. 10, 1960; 8:47 a.m.]

<sup>1</sup> Form filed as part of original document.

# PROPOSED RULE MAKING

## DEPARTMENT OF AGRICULTURE

### Agricultural Marketing Service

[ 7 CFR Part 906 ]

[Docket No. AO-210-A12]

### MILK IN OKLAHOMA METROPOLITAN MARKETING AREA

#### Notice of Hearing on Proposed Amendments to Tentative Marketing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held in the Balinese Room of the Skirvin Hotel, Oklahoma City, Oklahoma, beginning at 9:00 a.m., on February 15, 1960, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Oklahoma Metropolitan marketing area.

The public hearing is for the purpose of receiving evidence with respect to the economic and marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by the Central Oklahoma Milk Producers Association and the Pure Milk Producers Association of Eastern Oklahoma:

**Proposal No. 1.** Amend § 906.41 to read as follows:

#### § 906.41 Classes of utilization.

Subject to the conditions set forth in § 906.43 and § 906.44, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat disposed of in the form of milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cream, cultured sour cream, any mixture (except bulk ice cream mix) of cream and milk or skim milk, and all skim milk and butterfat not specifically accounted for under paragraphs (b) and (c) of this section; and

(b) Class II milk shall be all skim milk and butterfat, the utilization of which is established as used to produce (1) cottage cheese, ice cream, ice cream mix, eggnog, frozen desserts, and milk (or skim milk) and cream mixtures disposed of in containers or dispensers under pressure for the purpose of dispensing a whipped or aerated product, and (2) in inventories of fluid milk products; and

(c) Class III milk shall be all skim milk and butterfat;

(1) Used to produce any product other than those specified in paragraphs (a) and (b) of this section,

(2) In cream stored and frozen,

(3) Disposed of for livestock feed,

(4) In skim milk dumped, after prior notification to, and opportunity for verification by the market administrator,

(5) In actual shrinkage of producer milk in an amount not to exceed one-half percent of the total pounds of skim milk and butterfat received directly from producers farms; plus one and one-half percent of the total pounds of skim milk and butterfat in milk, skim milk and cream in fluid form received at a pool plant from both producers and other pool plants and which were not disposed of in bulk to the pool plant of another handler, and

(6) In shrinkage of other source milk.

**Proposal No. 2.** Amend § 906.44 to read as follows:

#### § 906.44 Transfers.

Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if diverted or transferred in bulk in the form of milk, skim milk or cream, including milk caused to be delivered to such handler's pool plant(s) from producers farms by a cooperative association in its capacity as a handler pursuant to § 906.9(b) to the pool plant of another handler (except a producer-handler) unless utilization in another class is mutually indicated in writing to the market administrator by both handlers on or before the 7th day after the end of the month within which such transaction occurred: *Provided*, That if upon inspection of the records of the transferee-handler it is found that an equivalent amount of skim milk or butterfat, respectively, was not actually used in such indicated use, the remaining quantity shall be classified as Class I milk: *And provided further*, That if either or both handlers have received other source milk, the skim milk or butterfat so transferred or diverted shall be classified at both plants so as to allocate the highest priced possible class utilization to the producer milk of both handlers;

(b) As Class I milk if transferred to a producer-handler in the form of milk, skim milk or cream;

(c) As Class I milk if diverted or transferred in bulk in the form of milk or skim milk to a nonpool plant located more than 300 miles from either Oklahoma City or Tulsa, Oklahoma, by the shortest hard-surfaced highway distance as determined by the market administrator;

(d) As Class I milk if transferred in the form of cream to a nonpool plant located more than 300 miles from the City Hall in either Oklahoma City or Tulsa, Oklahoma, by the shortest hard-surfaced highway distance determined by the market administrator, unless all the following conditions are met:

(1) The handler claims classification in another class in his report submitted to the market administrator pursuant to § 906.30;

(2) The operator of the nonpool plant maintains books and records showing the receipts and utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for verification;

(3) An amount of skim milk and butterfat, respectively, of not less than that so claimed by the handler was used in products included in Class II or Class III milk, in accordance with the claimed classification.

(e) As Class I milk if transferred or diverted in the form of milk, skim milk, or cream in bulk to a nonpool plant located not more than 300 miles by the shortest hard-surfaced highway distance from either Oklahoma City or Tulsa, Oklahoma, unless:

(1) The handler claims classification in another class in his report submitted to the market administrator pursuant to § 906.30;

(2) The operator of the nonpool plant maintains books and records showing the receipts and utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for verification;

(3) An amount of skim milk and butterfat, respectively, of not less than that so claimed by the handler was used in products included in Class II and Class III milk;

(4) The classification reported by the handler results in an amount of skim milk and butterfat in Class I and Class II milk claimed by all handlers transferring or diverting milk to such nonpool plant of not less than the amount of assignable Class I milk and Class II milk remaining after the following computation:

(i) From the total skim milk and butterfat, respectively, in fluid milk products disposed of from such nonpool plant and classified as Class I milk and used to produce products in Class II milk, pursuant to the classification provisions of this order applied to such nonpool plant, subtract, in series beginning with Class I milk, the skim milk and butterfat received at such plant directly from dairy farmers who hold permits to supply Grade "A" milk and who the market administrator determines constitute the regular source of supply for such nonpool plant;

(5) If the skim milk and butterfat, respectively, transferred by all handlers to such a nonpool plant and reported as Class I milk pursuant to this paragraph is less than the skim milk and butterfat assignable to Class I milk, pursuant to subparagraph (4) of this paragraph, an equivalent amount of skim milk and butterfat shall be reclassified as Class I milk pro rata in accordance with the total of the lower priced classifications reported by each of such handlers;

(6) If the skim milk and butterfat, transferred by all handlers to such non-

pool plant and reported as Class II milk pursuant to this paragraph is less than the skim milk and butterfat assignable to Class II milk pursuant to subparagraph (4) of this paragraph, less the amount of skim milk and butterfat received directly from "ungraded" dairy farmers at such nonpool plant, respectively, an equivalent amount of skim milk and butterfat shall be reclassified as Class II milk pro rata in accordance with the claimed Class III classification reported by each of such handlers.

**Proposal No. 3.** Amend § 906.46 to read as follows:

**§ 906.46 Allocation of skim milk and butterfat classified.**

After making the computations pursuant to § 906.45, the market administrator shall determine the classification of milk received from producers as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class III the pounds of skim milk determined pursuant to § 906.41(c)(5);

(2) Subtract from the total pounds of skim milk in Class I, the pounds of skim milk in other source milk received in bottles or other consumer-type packages from the pool plant of a producer-handler which is located in the marketing area, and disposed of as Class I milk in the same package and under the label of such producer-handler without further processing or packaging;

(3) Subtract from the remaining pounds of skim milk, in series beginning with Class III milk, the pounds of skim milk in other source milk received in the form of nonfluid milk products other than condensed skim milk or nonfat dry milk;

(4) Subtract from the remaining pounds of skim milk in series beginning with Class III milk, the pounds of skim milk in other source milk received in the form of condensed skim milk or nonfat dry milk;

(5) Subtract from the remaining pounds of skim milk, in series beginning with Class III milk, the pounds of skim milk in other source milk received in the form of fluid milk products which were not subject to the Class I pricing and payment provisions of another order issued pursuant to the Act;

(6) Subtract from the remaining pounds of skim milk, in series beginning with Class III milk, the pounds of skim milk in other source milk received in fluid milk products which were subject to the Class I pricing and payment provisions of another order issued pursuant to the Act;

(7) Subtract from the remaining pounds of skim milk in Class II and Class I milk, in series beginning with Class II milk, the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month;

(8) Subtract from the remaining pounds of skim milk in each class the skim milk received from other handlers in the form of milk, skim milk, or cream according to its classification as determined pursuant to § 906.44(a);

(9) Add to the remaining pounds of skim milk in Class III the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(10) If the remaining pounds of skim milk in all classes exceeds the pounds of skim milk received from producers, subtract such excess from the remaining pounds of skim milk in series beginning with Class III milk. Any amount so subtracted shall be called "overage".

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section; and

(c) Determined the weighted average butterfat content of this Class I, II, and III milk computed pursuant to paragraphs (a) and (b) of this section.

**Proposal No. 4.** Amend the introductory paragraph of § 906.50 to read as follows:

**§ 906.50 Basic formula price to be used in determining Class I and II prices.**

The basic formula price to be used in determining the price per hundredweight of Class I and Class II milk shall be the highest of the prices computed pursuant to paragraph (a) and (b) of this section and § 906.51(c)(2).

**Proposal No. 5.** Amend § 906.51 to read as follows:

**§ 906.51 Class prices.**

Subject to the provisions of §§ 906.52 and 906.53, the minimum prices per hundredweight to be paid by each handler for milk received at his plant from producers during the month shall be as follows:

(a) *Class I milk.* The basic formula price for the preceding month plus \$1.55 during the months of April, May and June, and plus \$1.95 during all other months: The remainder of § 906.51(a) remains the same as current order.

(b) *Class II milk.* The basic formula price for the current month rounded to the nearest cent plus \$.25.

(c) *Class III milk.* The higher of the following formula prices for the current month, rounded to the nearest cent:

(1) The price computed pursuant to § 906.50(b) minus \$.10.

(2) The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department:

*Present Operator and Location*

American Foods, Co., Miami, Okla.  
 Eppler Creamery Co., Tulsa, Okla.  
 Gilt Edge Dairy, Norman, Okla.  
 Muskogee Dairy Products Co., Muskogee, Okla.  
 Page Milk Co., Coffeyville, Kans.  
 Pet Milk Co., Siloam Springs, Ark.

**Proposal No. 6.** Amend § 906.52(b) to read as follows, and add a new paragraph § 906.52(c):

(b) *Class II milk.* Multiply such price for the current month by 1.20.

(c) *Class III milk.* Multiply such price for the current month by 1.15.

**Proposal No. 7.** Make such other changes in the order as are necessary to reflect the change from two classes of utilization to three classes of utilization and to make such other conforming changes as may be necessary to effectuate the substantial amendments proposed herein.

Proposed by the Dairy Division, Agricultural Marketing Service:

**Proposal No. 8.** Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, P.O. Box 4568, Tulsa 14, Oklahoma, or from the Hearing Clerk, Room 112, Administration Building, United States Department of Agriculture, Washington 25, D.C., or may be there inspected.

Issued at Washington, D.C., this 8th day of February 1960.

ROY W. LENNARTSON,  
 Deputy Administrator,  
 Agricultural Marketing Service.

[F.R. Doc. 60-1350; Filed, Feb. 10, 1960; 8:49 a.m.]

[ 7 CFR Part 911 ]

[Docket No. AO 262-A5]

**MILK IN TEXAS PANHANDLE  
 MARKETING AREA**

**Notice of Hearing on Proposed  
 Amendments to Tentative Market-  
 ing Agreement and Order**

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held in the Banquet Room of the Ramada Inn Roadside Hotel, 1001 North East 8th Avenue, Amarillo, Texas, beginning at 9:30 a.m., c.s.t., on February 16, 1960, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Texas Panhandle marketing area.

The public hearing is for the purpose of receiving evidence with respect to the economic and marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by the North Texas Producers Association:

**Proposal No. 1.** Amend § 911.46(a) by deleting subparagraphs (4) and (6).

**Proposal No. 2.** Amend § 911.51(b) to read as follows:

(b) *Class II milk price.* The price for Class II milk shall be, for the months of

July through February, the price computed pursuant to § 911.50(b), and, for the months of March through June, such price less 13 cents.

Proposed by the Dairy Division, Agricultural Marketing Service:

*Proposal No. 3.* Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, P.O. Box 226, Amarillo, Texas, or from the Hearing Clerk, Room 112, Administration Building, United States Department of Agriculture, Washington 25, D.C., or may be there inspected.

Issued at Washington, D.C., this 8th day of February 1960.

ROY W. LENNARTSON,  
Deputy Administrator,  
Agricultural Marketing Service.

[F.R. Doc. 60-1351; Filed, Feb. 10, 1960; 8:49 a.m.]

## [ 7 CFR Part 918 ]

[Docket No. AO-219-A8]

### MILK IN MEMPHIS, TENNESSEE MARKETING AREA

#### Notice of Recommended Decision and Opportunity To File Written Exceptions to Proposed Amendments to Tentative Marketing Agreement and to Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to proposed amendments to the tentative marketing agreement, and order regulating the handling of milk in the Memphis, Tennessee, marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington, D.C., not later than the close of business the 10th day after publication of this decision in the FEDERAL REGISTER. The exceptions should be filed in quadruplicate.

*Preliminary statement.* The hearing on the record of which the proposed amendments, as hereinafter set forth, to the tentative marketing agreement and to the order, were formulated, was conducted at Memphis, Tennessee, on July 21, 1959, pursuant to notice thereof which was issued June 8, 1959 (24 F.R. 4750).

The material issues on the record of the hearing relate to:

1. Extension of the marketing area.
2. Definition of a fluid milk plant.

3. Qualifying a cooperative association as a handler with respect to farm bulk tank milk.

4. Handler reports.

5. Revision of classes of utilization and allocation of shrinkage.

6. Transfer of fluid milk products between fluid milk plants and to non-fluid milk plants.

7. The method of determining the Class I price.

8. The level of the Class II price.

9. Revision of location adjustment rates to handlers and producers.

10. Modification of the base rating plan with respect to determination of bases and base rules.

11. Advance payments to producers.

12. Miscellaneous and conforming changes to order provisions.

*Findings and conclusions.* The following findings and conclusions on the material issues are based on evidence presented at the hearing and the record thereof:

1. *Marketing area.* The marketing area should be extended to include Madison County, Tennessee, except for civil districts 4 and 9.

The present marketing area includes Shelby County and the City of Jackson in Madison County, Tennessee and the City of West Memphis in Arkansas.

Cooperative associations of producers proposed the inclusion of (1) the counties of Chester and Madison in the State of Tennessee and (2) the counties of DeSoto, Tate, Panola, Tunica, Lafayette and Marshall, exclusive of Beat 5, in the State of Mississippi.

Madison County, except for civil districts 4 and 9 is now served by three local handlers and by one handler located in Memphis, all regulated by Order No. 18, a handler located at Conway, Arkansas, regulated by Order No. 8 and a handler located in Paducah, Kentucky, regulated by Order No. 77. Extending the area from the city limits of Jackson to include most of Madison County will not bring any new handler under regulation but will encompass most of the sales area of the handlers located in Jackson. The suburban area around the City of Jackson, including Bemis, Tennessee, is a part of a metropolitan area of this region. As the area develops it is reasonable to believe that the city limits of Jackson will be increased. Therefore, the extension of the marketing area, herein proposed, will accommodate such expansion without need for amendment proceedings at some later date.

Chester County and civil districts 4 and 9 in Madison County should not be included in the marketing area at this time. To do so would bring under regulation one additional handler. Sales by this handler are limited to civil districts 4 and 9 in Madison County and represent approximately 2 percent of the total sales of both Madison and Chester Counties and only 10 to 15 percent of this handler's total business. This handler is located in Lexington, Henderson County, which is his major sales area. Regulated handlers do not compete with this handler in Henderson County. Regulated handlers are at least maintaining sales in the proposed additional area. The pro-

curément of milk by the Lexington distributor is in a different area from that of regulated handlers. Dairy farmers supplying milk to this handler are not members of the proponent cooperative. The limited sales in civil districts 4 and 9 in Madison County, however, would be sufficient to make this handler fully regulated. Under the circumstances herein shown, there is no need to add Chester County or civil districts 4 and 9 in Madison County, Tennessee.

The six counties (excluding Beat 5 in Marshall County) in the State of Mississippi, should be added to the marketing area. These six counties are served by regulated handlers, a partially regulated handler under Order No. 5 for the Mississippi Delta marketing area and by a milk distributor, located outside the area, with limited sales in Holly Springs, Marshall County, Mississippi. The latter distributor's sales in the proposed area are so minor as to exclude him from regulation. Sales of regulated handlers are gaining or being maintained under current competitive conditions. The handler, partially regulated under Order No. 5, is located at Oxford, Mississippi, and competes with regulated handlers in a five-county area. This handler procures its supply almost entirely from the proponent cooperative. The cost of such supplies is regulated by the Delta order as a result of sales by this handler in the Mississippi Delta marketing area.

Therefore, on the basis of the record the counties of DeSoto, Tate, Panola, Tunica, Lafayette and Marshall, exclusive of Beat 5, Mississippi, should be included in the Memphis, Tennessee, marketing area.

2. *Fluid milk plant.* A supply plant should be a fluid milk plant if it furnishes milk, skim milk or the milk equivalent in the form of cream to distributing fluid milk plant(s) in excess of 70,000 pounds per month, and any of the skim milk or butterfat contained in such products is allocated to Class I pursuant to the allocation provisions of the order.

The present requirements of the order, during the months of January through August, make any plant that ships milk, skim milk, or cream to a regulated distributing fluid milk plant, a fluid milk plant. During the months of September through December any shipment of milk, skim milk or cream from a plant receiving milk from farmers holding dairy farm permits for the production of Grade A milk issued by a health authority having jurisdiction in the marketing area, makes the shipping plant a fluid milk plant.

Proponents recommended that a supply plant be required to ship 70,000 pounds of milk, skim milk or cream to a distributing fluid milk plant unless, during September through December the supply plant received milk from dairy farmers with health permits issued by a health authority having jurisdiction in the marketing area.

Under an individual handler pool, as used in the Memphis market, it is not necessary to require substantial association with the market before a plant may become a fluid milk plant. It is reasonable, however, both from the viewpoint

of the administration of the order and in recognition of unusual circumstances which could result in an emergency need for spot shipments of milk from unregulated plants, to make provision for an occasional shipment of milk without subjecting such plants to regulation. There has been practically no need during the past several years for a supply of milk, skim milk or cream from sources other than from plants subject to the pricing and payment provisions of another order issued pursuant to the Act. The purchase of supplemental supplies from plants regulated by other orders also represents very small quantities. Unless such regulated plants supply more milk to the Memphis market than to the areas in which the plants are regulated, such plants are exempt from the pricing and payment provisions of this order.

Therefore, under the circumstances in this marketing area, any nonregulated plant during any month should be exempt from regulation unless such plant supplies a distributing fluid milk plant in excess of 70,000 pounds of milk, skim milk or the milk equivalent in the form of cream and some of the skim milk or butterfat contained in such products is allocated to Class I pursuant to the allocation provisions of the order.

**3. Producer cooperative associations as handlers.** A cooperative association should be permitted to be a handler with respect to farm bulk tank milk which it delivers directly to the fluid milk plant of another handler.

The definition of a handler now provides that a cooperative association is a handler with respect to milk of its member producers diverted by it from a fluid milk plant to a nonfluid milk plant. The proponent cooperative proposed that a cooperative also be a handler with respect to milk of its member producers which is delivered to a fluid milk plant of another handler in a tank truck owned, operated by, or under contract to such a cooperative association.

The handler definition should be changed to provide for a cooperative association to become a handler with respect to milk which it delivers directly from the farms of its member producers to the fluid milk plant of another handler in tank trucks owned or operated under the control of such association, if it desires to assume the handler obligations of the order relative to accounting for such milk. When milk comes to market in cans, the milk of the individual producers is dumped, weighed, and a sample taken for butterfat testing by an employee of the plant where the milk is used. The operator of the plant is responsible for paying for the quantity of milk received at the determined butterfat test.

When milk comes to market in a bulk tank truck, the weight of the milk is checked and a sample for butterfat testing is taken by the driver at the farm. The milk of a number of producers is intermingled in the tank truck. When the tank truck is owned or operated under the control of the cooperative association, the weight of each producer's milk is checked and a sample for butterfat testing is taken by a person

who is an employee of, or directly responsible to the cooperative association. The handler who receives the milk of a number of producers in the tank has no way of knowing the weight or the butterfat test of the milk of the individual producers whose milk is contained in the load, except as such information is reported to him by the association. In some instances, especially with respect to supplemental loads, the handler may not even know the identity of the producers whose milk he receives.

As the trend to bulk tanks continues, the problems become more numerous and more serious. Accordingly, it is concluded that a cooperative association should be qualified as a handler with respect to bulk tank milk of its member producers which it causes to be delivered from their farms to the fluid milk plant of another handler, but on a permissive basis. If a cooperative association wishes to become the handler for such bulk tank milk deliveries, it will be so considered if, prior to the first day of the month in which the change is to be effective, it notifies the market administrator and the handler to whom the milk is delivered in writing to that effect. Otherwise, the handler at whose fluid milk plant the milk is physically received will continue to be accountable for it under the order. For milk for which the cooperative association is the handler, the operator of the fluid milk plant at which it is received will be obligated to pay the market administrator the applicable class prices for such milk.

The qualification of a cooperative association to become a handler with respect to farm bulk tank milk involves consideration of the allocation of shrinkage incurred with regard to such milk. Under the present terms of the order, the first receiving handler of the milk is entitled to the shrinkage incurred up to the limit of 2 percent of the skim milk and butterfat in such milk. When the operator of the fluid milk plant which physically receives the milk is the handler and accounts for the milk on the basis of the farm determined weights and samples for butterfat tests, the shrinkage is allocated to such receiving handler. However, when such conditions do not exist, and the cooperative association becomes a handler for such milk, some equitable division of the 2 percent permitted should be established between the cooperative association for shrinkage incurred between the farm and plant and shrinkage incurred by the handler who possesses the milk.

It is concluded that the cooperative association with respect to farm bulk tank milk, for which it elects to become the handler, should be permitted the allowable shrinkage up to one-half of one percent and the processing plant shrinkage up to one and one-half percent of the skim milk and butterfat in such milk. With respect to milk so handled and for which the cooperative association is not the handler, the operator of the plant at which the milk is received would be obligated to account for the milk at the reported farm weights and tests. Thus, the cooperative association in such instances would incur no loss and the plant of receipt should be permitted the entire

shrinkage on such milk up to a maximum of 2 percent.

**4. Handler reports.** Reports due from handlers should be made by mailing on or before the 6th day after the end of each month, or by delivery not later than the 8th day after the end of each month to the office of the market administrator.

Reports of receipts, utilization and producer payroll are presently required to be made by the 8th day after the end of each month. The proponent cooperative proposed that such reports be made not later than the 7th day after the end of each month.

It is essential that the market administrator receive handler reports in sufficient time to enable him to make the necessary computations and payments to producers and cooperative associations by the dates prescribed in the order. In order for the market administrator to meet the schedule of such required dates, handler reports need to be available to him not later than the close of business on the 8th day after the end of each month. The market administrator now accepts reports from handlers that may be mailed and postmarked on the 8th day, but not received until the 9th or 10th day. Revision of the provisions providing the dates when handler reports are due will make it possible for handlers to report, as they have in the past, on the 8th day if such reports are delivered to the market administrator's office.

**5. Classification and allocation of shrinkage.** The classes of utilization should be changed with respect to the classification of skim milk and butterfat disposed of to food manufacturing plants.

Two proposals were made to classify skim milk and butterfat disposed of to commercial food manufacturing plants as Class II. Grade A milk is not required by these manufacturers. Skim milk and butterfat used to produce products not required to be made from Grade A milk are customarily defined as Class II. Therefore, it is concluded the classification should be revised to provide Class II classification for skim milk and butterfat, the utilization of which is established as disposed of in bulk to bakeries, candy and soup manufacturers; and other commercial food manufacturing establishments which do not dispose of fluid milk products.

The classification of shrinkage has been modified to accommodate changes, herein recommended, with respect to cooperative associations as handlers of their member producers' milk supply handled in farm bulk tanks.

**6. The transfer provision should be revised.** The transfer provision should be revised to provide (1) Class I classification of milk moved to nonfluid milk plants more than 225 miles from the Memphis city hall, and (2) sharing pro rata with plants regulated by other orders issued pursuant to the Act, amounts of skim milk or butterfat classified as Class I at nonfluid milk plants.

Proponents of the proposal to modify the transfer provision offered a mileage limitation of 150 miles from the city hall and pro rata sharing with other regulated plants the skim milk or butterfat

classified as Class I at the nonfluid milk plant which exceeds receipts from dairy farmers producing Grade A milk as a regular source of supply for such plant.

While it is true that cooperative associations market excess supplies within a radius of 150 miles of the Memphis city hall, it is equally factual that a handler operating both a fluid milk distributing plant and a supply plant or receiving station also markets regularly large quantities of Class II milk at dairy manufacturing plants located within a 225 mile radius of the Memphis city hall. Local dairy manufacturing plants located within the 150 mile radius of Memphis cannot adequately handle all the milk, skim milk or cream that at times may be in excess of handlers' needs for Class I milk. It is reasonable to conclude, therefore, that adequate facilities are available to market Class II milk within a radius of 225 miles of the Memphis city hall. Since there are several dairy manufacturing plants within this mileage that have facilities to receive milk, skim milk or cream and that are in the market for such products, it is concluded that it is unnecessary for administrative convenience to classify skim milk or butterfat disposed of at nonfluid milk plants located more than 225 miles from the Memphis city hall as Class II. Therefore, such skim milk and butterfat should be classified as Class I.

Transfers of producer milk in the form of milk, skim milk or cream are made to nonfluid milk plants that receive ungraded milk from dairy farmers. Hence, it is reasonable to provide that the amount of skim milk or butterfat received from fluid milk plants by a nonfluid milk plant in excess of Class II usage by such a plant should be classified as Class I. However, it should be further provided that the amount of skim milk or butterfat to be classified as Class I should be limited to a pro rata share of such Class I classification with milk classified as Class I under other orders issued pursuant to the Act. It is further provided, for the purpose of clarity, that milk, skim milk, or cream fully regulated by another order issued pursuant to the Act, shall be classified pursuant to the provision of such other order and that any resulting amounts classified as Class I shall be shared pro rata with receipts from other regulated plants that may also be classified as Class I pursuant to the provisions of such orders.

Skim milk used to produce condensed skim is currently accounted for as a Class II product at the fluid milk plant where condensed. When such condensed skim is used for fortification of fluid milk products the volume of Class I milk at the fluid milk plant where fortification occurs is increased. A cooperative association proposed that condensed skim milk should be accounted for as Class I in the fluid milk plant where condensed. This would have the effect in this individual handler pool market of returning all the Class I value of such condensed, when used for fortification, to the producers delivering milk to the fluid milk plant where the milk was condensed. This problem is

solely one of distributing returns from the sale of a specialized product to particular producers. No showing was made that proposed method would either be more equitable among producers or would facilitate the efficient marketing of the product. Consequently, no change in accounting method is indicated.

**7. Class I prices.** The method of determining the Class I price should be modified to (1) provide a uniform monthly differential equal to the average of the present seasonal differentials plus the average monthly supply-demand adjustment of the past three years, and (2) to provide supply-demand adjustments of such uniform differential to maintain the annual level of the Class I price at approximately the average of the past three years.

A proposal for revision of the supply-demand adjuster would reduce and limit the rate and amount of such adjustment, eliminate adjustments that are unrelated to underlying changes in supply conditions and insure against the continued enhancement of Class I prices by "off-the-market" sales of the principal producer marketing association.

Handlers' and producers' testimony supported a general overhauling of the supply-demand adjuster along lines indicated by the proposal in the hearing notice. Specific changes in the structure of the provision, suggested by the Mid-South Milk Producers' Association, were designed to reduce its effect on the Class I price; in particular to eliminate excessive variation and seasonal distortion in monthly prices. Handlers also would eliminate these effects upon prices. They complain that the adjuster provision has resulted in Class I prices that have been not only exceedingly erratic in certain months, but also higher on the average than real supply-demand conditions justify. Producers contended that, while adjustments in certain months may be said to have been excessive, they have on the whole resulted in an annual level of Class I prices in keeping with prevailing supply-demand conditions and regional inter-market relations.

Variations in monthly supply-demand adjustments, that have ranged from zero to 60 cents, have not been justified by significant changes in supply conditions and consequently have, in a measure distorted monthly prices.

The essence of the proposal to amend the present Class I pricing scheme was to "provide a supply-demand index more properly reflecting the conditions of supply and demand" in the Memphis marketing area. Handlers expressed deep concern with respect to the current marketing practice of the principal cooperative association in this market in disposing of large quantities of Grade A inspected milk to other markets and to dairy manufacturing plants without accounting for such milk as producer milk as defined in the order.

The right of the cooperative associations to market milk as they do is clear. The concern of handlers is with the effect such practice has in determining the plus adjustments to the Class I price as reflected by the changes in the relation-

ship of producer milk to Class I sales. During the years 1957 and 1958 an average of approximately 1.5 million pounds per month of Memphis inspected milk in addition to actual receipts was available to handlers from the association. This milk maintained its Memphis Board of Health inspection and therefore, its availability to the market. Handlers have received adequate supplies of milk from the association for their fluid milk product needs. This milk, however, was not needed by handlers, hence was not received by them. It was marketed by the association, without being diverted, and thus was not producer milk. The amount of milk so marketed in 1957 and 1958 represented about ten percent of the total producer milk reported by handlers during this two-year period.

Admittedly, the practice of disposing "off-the-market" milk to the extent of approximately ten percent of the market supply was not contemplated when the ranges of utilization percentages were first established and later revised in this order. Perhaps equally important and unanticipated influences on the relationship of supply to demand for Class I sales were the change of the Dean Milk Company on September 1, 1958, as a handler under the Memphis order to a handler under the Central Arkansas order (No. 8) and the loss of Class I sales to the Central Arkansas and Paducah, Kentucky, order when handlers regulated by these orders were successful bidders on occasion, for the contract at the Naval Air Station, Millington, Tennessee. This contract averages approximately 450,000 pounds per month. Although, it is clear that monthly supply-demand adjustments have frequently been substantial and variable, the average monthly adjustment has resulted in a reasonable annual level of Class I price. The annual average amounts added to the basic formula price to determine the Class I price for the years 1957 through 1959 were \$1.76, \$1.73 and \$1.73, respectively, or an average of \$1.74 per hundredweight per month during these three years. The resulting level has reflected supply-demand conditions in the Memphis area and has been in reasonable alignment with prices in other trade areas in the general region. In the region the only Federal marketing area with lower Class I prices is the Paducah area to the north. The Memphis Class I price has averaged, on an annual basis, for the three-year period 1957-59, 52.5 cents per hundredweight above the Paducah, Kentucky, Class I price.

The revised supply-demand provision would make plus and minus adjustments to the Class I price whenever the relationship of the supply of producer milk to Class I sales deviates from that established during the past three years. From the past three years' experience (1957-59) it may be expected that the extremes of this relationship will be between 103 percent and 117 percent. It is possible that occasionally this relationship may exceed 117 percent or be less than 103 percent. Therefore, it is provided that adjustments to the Class I price, resulting from the supply-demand factor, should not apply until adjustments have

been indicated for three consecutive months. To establish further stability to the pricing plan the base utilization range should be increased from a six to a seven point range.

The rate of adjustment that should apply when the net utilization percentage is less or more than the base utilization range should be three cents for each point of variation.

The order currently provides rates of one, three and four cents applied to specified months. Since the relationship of producer milk to Class I sales remains relatively constant from month to month and year to year because of the unusual marketing conditions in the Memphis market it can reasonably be concluded that deviations from the established base utilization range will mean that prompt and effective steps should be taken to influence the amount of producer milk available to the market. A rate of three cents per point of plus or minus deviation from the established base utilization range may be expected to produce the desired results.

It is recommended that \$1.74 become the uniform monthly Class I differential in place of the present seasonal differentials of \$1.28 for March through July and \$1.68 for August through February since \$1.74 equals the yearly monthly average of the seasonal monthly differentials plus the average monthly supply-demand adjustments in the last three years.

Official notice is hereby taken of the monthly public announcements of class and uniform prices and statistical reports issued by the market administrators, for the months of June through December 1959, inclusive, for both the Memphis, Tennessee, and Paducah, Kentucky, orders.

Class I prices for the Central Arkansas order are the same as determined for this order. Whatever changes are made in the Memphis Class I prices will have the same effect on the Central Arkansas order prices. Consequently notice of the hearing was given to all interested parties in the Central Arkansas market as well as this market. Handlers and the cooperative association from the Central Arkansas market were represented at the hearing. The Central Arkansas Milk Producers Association testified with respect to the effect of a higher Class I price level and the use of a constant differential above the basic formula price in determining Class I prices on marketing conditions in the Central Arkansas area. This association supported the proposition of eliminating seasonal pricing and maintaining the Class I prices at least at the present level. Therefore, consideration has been given to the effect that changes in determining Class I prices in this market will have on market conditions in the Central Arkansas market. It is concluded that the changes provided herein to revise the method of determining Class I prices will also be appropriate for the Central Arkansas marketing area.

The major issue raised with respect to the use of a constant differential above the basic formula price in determining

the Class I prices was the alignment of such prices with the Class I prices in the Paducah order. The alignment of Class I prices, on an average annual basis, between these markets will remain unchanged as a result of the proposed changes to the Memphis order.

The Memphis Class I prices for milk testing four percent butterfat have averaged 52.5 cents higher than the Paducah Class I prices for the three-year period 1957-59. This difference results primarily from differences in the seasonal pricing plan in these markets and the plus adjustments of the supply-demand factor in the Memphis order. These latter adjustments, for the months of July through October during each of the years 1957 through 1959 increased the Memphis Class I price by amounts that varied from a low of 44 cents to a high of 60 cents per hundredweight. The supply-demand factor during this three-year period, did not decrease the Class I price. Neither was there a plus adjustment in the three-year period for the months of January, February or December. Variations in the basic formulas in these two orders result in additional differences in the Class I prices. The seasonal price plan in the Paducah order adds seventy cents to the basic price for each of the months of April through July and \$1.60 all other months. The Memphis seasonality plan adds \$1.28 to the basic price for each of the months of March through July and \$1.68 all other months. During the four months, April through July, when the differential of seventy cents is added to the basic price in the Paducah order the actual Class I prices in the Memphis order have averaged (for the three-year period 1957-59) 88 cents higher than the Paducah Class I prices. During the three months August through October, Memphis Class I prices averaged (for 1957-59) 72 cents above the Paducah Class I price. For the remaining five months November through March, the three-year average of the Class I price has been 11 cents higher in Memphis than Paducah.

As proposed herein, the average variation for the months of April through July for the three-year period 1957-59 would have been \$1.11, an increase of 23 cents over the actual difference for this period. For the months of August through October for the same period, the average difference would have been reduced from 72 cents to 27 cents, a decrease of 45 cents. It is this latter improvement of one cent a quart in the alignment of Memphis Class I prices with the Federal order prices to the north that is expected to achieve greater market stability in the disposition of packaged fluid milk products. Proprietary handlers sell very little if any fluid milk products in bulk outside the marketing area.

8. *The level of the Class II price.* The level of the Class II price should be increased by adding 30 cents for each of the months of September through November and 20 cents for each of the other months, to the average of the basic or field prices of six specified local dairy manufacturing plants.

The order currently provides that 15 cents shall be added for each of the months of September through November, to the basic or field prices of six local dairy manufacturing plants to determine the Class II price.

Cooperative associations, proponents of the proposal to increase on an average annual basis the Class II price by nearly 18.5 cents per hundredweight, represent more than a majority of the producers. These associations supply milk to all handlers and with one exception either have full supply contracts or serve handlers with their Class I needs. With the exception of one handler, the cooperative associations market the milk in excess of the amounts needed by handlers. Premiums above the basic or field prices paid farmers at local dairy manufacturing plants have been received by these cooperative associations for the milk marketed by them. Such premiums have been as much as fifty cents per hundredweight. It is an established practice of local dairy manufacturing plants to pay premiums to dairy farmers for quality, quantity, and they also pay extra for bulk tank milk. Proponents clearly established that the value of producer milk classified as Class II is greater than the basic or field prices announced by local dairy manufacturing plants. Inasmuch as cooperative associations are willing and able to market milk in excess of handlers' needs at the proposed increase in Class II prices, it is concluded that 30 cents per hundredweight should be added to the basic or field prices of local dairy manufacturing plants for each of the months of September through November and 20 cents per hundredweight for each of the other months of the year.

9. Location differentials to handlers and producers should be reduced. Two proposals by cooperative associations would change location differential rates to handlers and producers. One proposal would eliminate the differential applied in the Jackson, Tennessee, part of the marketing area. This would have the effect of increasing the Class I price to handlers and to producers in this part of the area by 21 cents per hundredweight. The other proposal would reduce the location differentials to handlers and producers from 21 cents per hundredweight at Jackson, Tennessee, to 15 cents and from 25 cents to 20.5 cents at the Martin, Tennessee, supply plant.

Four handlers currently operate fluid milk plants at locations where location differentials apply. One is the plant at Martin, Tennessee, in the 120-130 mile zone, with a 25-cent per hundredweight differential; three others are at Jackson, Tennessee, in the 80 to 90 mile zone with a 21-cent adjustment.

These differentials, established in 1950, are determined on the basis of the present order provision of 18 cents per hundredweight at a distance of 50 miles but less than 60 miles from the city hall in Memphis plus an additional one cent for each additional 10 miles or fraction thereof over 60 miles.

Since the determination of these rates nearly ten years ago many changes have

occurred affecting the cost of handling and transporting milk. Road conditions have been improved and load limits on highways have been raised permitting the movement of large milk tankers. As a result of these and other changes milk is now handled much more efficiently than ten years ago.

Location differentials should reflect the increased efficiency. The cost of transporting milk in bulk tanks per 10-mile distances is approximately 1.5 cents per hundredweight. This rate for location differentials to both handlers and producers appropriately reflects the cost of moving milk to the Memphis market under efficient and economic conditions.

It is concluded therefore, that the rate per hundredweight applicable to the location differentials pursuant to §§ 918.53 and 918.93 should be 9 cents for the 50 to 60 mile zone from the Memphis city hall and 1.5 cents for each additional 10 miles or fraction thereof beyond 60 miles. These rates will have the effect of reducing the location differential rates from 25 cents per hundredweight at Martin to 19.5 cents and from 21 cents to 13.5 cents at Jackson.

The record does not substantiate the elimination of location adjustments in the Jackson portion of the marketing area. However, the adjustment of the differential, as herein recommended, from 21 to 13.5 cents per hundredweight in the Jackson area will price milk to handlers and producers more realistically considering the location of Jackson in relation to Memphis.

The present Memphis order provides for no location differential within 50 miles of Memphis and this location price should be preserved. However, as one moves south from Memphis, supply-demand conditions for milk require progressively higher prices for milk corresponding to the increased cost of transporting milk from alternative sources of supply. Hence, it is provided that at all locations in Mississippi which are more than 50 miles from Memphis, the Class I price shall be increased by a factor related to the cost of transporting milk. More particularly, a plus differential of 9 cents per hundredweight will apply for plants located 50 but less than 60 miles from the city hall in Memphis, plus 1.5 cents per hundredweight for each additional 10 miles or fraction thereof. These are the same factors specified above for application as deductions outside of the State of Mississippi to represent the cost of transporting milk by efficient means to the Memphis part of the marketing area.

There is now only one plant located in Mississippi which will be regulated by this order. Under the location price scheme herein provided, the price at that plant will be 12 cents per hundredweight higher than for plants within 50 miles of Memphis. The location pricing at this plant will be appropriate both in relation to Memphis and in relation to the Mississippi Delta order. At the location of this plant, the Mississippi Delta order would provide a minus 12 cents per hundredweight location differential. This will make the cost of Class I milk at this

plant about the same, irrespective of whether this plant is regulated under the Memphis order or under the Mississippi Delta order.

10. *Modification of the base-excess plan.* The base-excess plan should be modified to (1) provide greater opportunity for new producers to enter the market, and (2) redefine the method of determining the daily and monthly base of each producer, and (3) specify that only an entire base established by a producer may be transferred.

The present base-forming period comprises the months of September through February. The base-operating period includes the months of March through August. The present base rules do not specify whether or not a producer must transfer an entire base or may transfer a portion of an established base.

The purpose of the base-excess plan is to encourage individual producers to make changes in production plans to provide a supply of Grade A milk during the months when the demand for such milk is needed for Class I sales. It is not, as a witness testified, a plan to provide a monetary value to the established base of a producer.

Under the present base-excess plan a dairy farmer wishing to enter the market and become a producer must either arrange to purchase a base, enter the market on September 1 or be willing to accept a reduced amount of base for each day that he enters the market after September 1. This arrangement is not conducive to the encouragement of dairy farmers to enter the market during the period of the year when Grade A milk is in shortest supply in relation to the demand for Class I sales. This period in the Memphis market is generally the months of September through January. These are the months that should represent the base-forming period. The base-operating period should be revised to include only the months of March through July. It is concluded that the needs of the market for a supply of producer milk can best be encouraged through the base-excess plan by providing the months specified herein for the base-forming and base-operating periods. By omitting the months of February and August from these basing periods opportunity is provided producers to make adjustments in their production programs prior to the beginning of the base-forming period and the base-operating period. Most important this plan will provide opportunity for dairy farmers to enter the market as new producers during the month of August without penalty or without the need of purchasing a base.

To further encourage dairy farmers to enter the market as new producers the daily base for each producer should be determined by dividing the total pounds of milk shipped by each producer during the period of September-January (a maximum of 153 days) by the number of days in the base-forming period or by the number of days from the first day milk is received from a producer during such period to the last day of January inclusive, but not less than 120. This provision, in addition to providing the

month of August when new producers may enter the market, should provide additional incentive for dairy farmers to enter the Memphis market during August and September, thus providing an adequate supply of Grade A milk for this market. During the past three years the supply of producer milk in relation to Class I sales has averaged 111 percent. This relationship has ranged from a low of 96 percent in January 1957 to a high of 118 percent in June 1958.

Provision should be made for a producer to transfer his entire base to another person if such person assumes the ownership or operation of the farm on which the base is established. In the case of jointly held bases provision should be made for the transfer of the entire base to one of the joint holders or the transfer to another person if such latter person assumes the ownership or operation of the farm on which the base to be transferred was established. Under these proposed rules a tenant will be in a position to transfer his base to a new tenant who may assume the operation of a farm on which the base was established. Of course, any person may take a base established by him to a new location. Hence, if the base is formed in the name of the tenant, such base may be taken with him to another farm. This provision will provide a reasonable basis for accommodating persons retiring, entering military service, or dissolving partnerships and landlord-tenant arrangements.

When a base is transferred and is to be combined with a base held by the transferee, the total producer milk deliveries during the base-forming period of all persons in whose name such bases were earned should be combined and the total milk deliveries of such persons divided by the number of days from the earliest day of delivery during the base-forming period by any of such persons to the last day of the base-forming period.

Similarly, if a producer ceases to deliver milk in his name during the base-forming period but milk is delivered to a fluid milk plant from the same dairy production facilities during the remainder of such period, the base earned by both producers should be combined.

The transfer of a base should be effective only on the first day of the month during which a request is received on forms approved by the market administrator and signed by the person transferring the base and the person to whom it is to be transferred.

11. *Payments to producers.* Provision should be made to make advanced payments to producers by the first of the month for the milk received by handlers during the first fifteen days of the previous month. This payment should be at the rate of the Class II price per hundredweight.

Currently producers receive, by the 15th of the month, payment for their milk delivered to handlers for the previous month. Handlers and cooperative associations favored the advanced payment plan. Handlers did however, propose that advanced payments to producers should not be made in situations where producers have assigned in writ-

ing, in whole or in part, payments for their milk to a second party. The provision has been revised to include advanced payments to producers with proper deductions, authorized in writing.

12. *Miscellaneous and conforming changes.* The order as presented herein, is revised in its entirety. A definition of fluid milk products has been added for the purpose of specificity throughout the order. The definition includes the fluid milk products currently specified in § 918.41(a)(1).

The necessary conforming changes resulting from the provision making a cooperative association a handler on bulk tank milk of its members are provided herein. These changes are reflected primarily in the provision for the allocation of producer milk, for the determination of a handler's obligation, and in the calculation of uniform prices. Since cooperative associations will be accountable for the weights and tests of milk from their individual members in their capacity as a handler pursuant to § 918.10(c), handlers receiving such producer milk will not know the quantities of base and excess milk received during the base-operating period. Therefore, as provided herein, a base and excess price for individual handlers will be calculated only for that quantity of producer milk received at their fluid milk plants and for which they are accountable for the weighing and testing.

*Rulings on proposed findings and conclusions.* Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings and conclusions and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or reach such conclusions are denied for the reasons previously stated in this decision.

*General findings.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order (and of the previously issued amendments thereto;) and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) The tentative marketing agreement and the order, as hereby proposed to be amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as hereby proposed to be amended, are such prices as will reflect the afore-

said factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order, as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

*Recommended marketing agreement and order amending the order.* The following order amending the order regulating the handling of milk in the Memphis, Tennessee, marketing area is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the order, as hereby proposed to be amended:

#### DEFINITIONS

##### § 918.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

##### § 918.2 Secretary.

"Secretary" means the Secretary of Agriculture of the United States or any other officer or employee of the United States authorized to exercise the power or to perform the duties of the said Secretary of Agriculture.

##### § 918.3 Department of Agriculture.

"Department of Agriculture" means the United States Department of Agriculture or any other Federal agency authorized to perform the price reporting functions specified in this part.

##### § 918.4 Person.

"Person" means any individual, partnership, corporation, association, or other business unit.

##### § 918.5 Cooperative association.

"Cooperative association" means any cooperative marketing association which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales of or marketing milk or its products for its members.

##### § 918.6 Memphis, Tennessee, marketing area.

"Memphis, Tennessee, marketing area" means all the territory, including incorporated municipalities and military reservations, within Shelby County and Madison County (except civil districts 4 and 9), Tennessee, the city of West Memphis, Arkansas, and the counties of DeSoto, Tate, Panola, Tunica, Lafayette, and Marshall (exclusive of Beat 5) in the State of Mississippi.

##### § 918.7 Fluid milk plant.

"Fluid milk plant" means:

(a) Any milk processing or bottling plant from which a volume of Class I milk equal to an average of 1,000 pounds or more per day, or not less than 5.0 percent of the Class I milk of such plant is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except other fluid milk plants) located in the marketing area;

(b) Any plant from which during the month Grade A milk, skim milk or the milk equivalent in the form of cream in excess of 70,000 pounds is moved to and received at a plant(s) described pursuant to paragraph (a) of this section and any of the skim milk or butterfat contained in such products would be allocated to Class I pursuant to § 918.46 if such plant were not a fluid milk plant.

##### § 918.8 Approved plant.

"Approved plant" means a fluid milk plant or any plant from which Class I milk is delivered (including delivery by a vendor or sale from a plant store) during the month to retail or wholesale outlets (except fluid milk plants) located in the marketing area.

##### § 918.9 Nonfluid milk plant.

"Nonfluid milk plant" means any milk manufacturing, processing or bottling plant other than a fluid milk plant.

##### § 918.10 Handler.

"Handler" means:

(a) Any person in his capacity as the operator of one or more approved plants.

(b) Any cooperative association with respect to milk of its member producers diverted by it from a fluid milk plant to a nonfluid milk plant for the account of such cooperative association; or

(c) Any cooperative association with respect to the milk of its member producers which it causes to be delivered directly from the farm to the fluid milk plant(s) of another handler in a bulk tank truck owned and operated by, or under contract to, or under control of, such cooperative association, if the cooperative association notifies the market administrator and the handler to whom the milk is delivered in writing that it wishes to become the handler for such milk. The cooperative association shall be considered the handler for such bulk tank milk, effective the first day of the month following receipt of such notice, and milk so delivered shall be deemed to have been received by the cooperative association at a fluid milk plant at the location of the fluid milk plant to which it is delivered.

##### § 918.11 Producer.

"Producer" means any person except a producer-handler who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority which milk is:

(a) Received at a fluid milk plant; or

(b) Diverted from a fluid milk plant to a nonfluid milk plant, except a milk plant fully subject to the provisions of another order issued pursuant to the act, for the account of the handler. Milk

so diverted shall be deemed to have been received by the diverting handler at the location of the plant from which it was diverted.

#### § 918.12 Producer milk.

"Producer milk" means only that skim milk and butterfat contained in milk from producers (in an amount determined by weights and measurements for individual producers, as taken at the farm in the case of milk moved from the farm in a bulk tank truck) which is:

- (a) Received directly from producers at a fluid milk plant;
- (b) Diverted pursuant to § 918.11; or
- (c) Received by a cooperative association which is a handler pursuant to § 918.10(c).

#### § 918.13 Other source milk.

"Other source milk" means all skim milk and butterfat contained in:

- (a) Receipts during the month in the form of fluid milk products except:
  - (1) Receipts from the fluid milk plants of other handlers or from a cooperative association which is a handler pursuant to § 918.10(c), or
  - (2) Producer milk; and
- (b) Products other than fluid milk products from any source (including those produced by the handler) which are reprocessed or converted to another product during the month.

#### § 918.14 Producer-handler.

"Producer-handler" means any person who operates an approved plant from which Class I milk is disposed of in the marketing area but who receives no milk from other dairy farmers.

#### § 918.15 Chicago butter price.

"Chicago butter price" means the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any range as one price) per pound of 92-score bulk creamery butter at Chicago as reported during the month by the Department of Agriculture.

#### § 918.16 Fluid milk product.

"Fluid milk product" means the fluid form of milk, skim milk, buttermilk, milk drinks (plain or flavored) cream (including sour cream, but excluding aerated and frozen cream), any mixture in fluid form of milk, skim milk and cream (except eggnog and mixes for frozen dairy products.)

### MARKET ADMINISTRATOR

#### § 918.20 Designation.

The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of the Secretary.

#### § 918.21 Powers.

The market administrator shall have the following powers with respect to this part:

- (a) To administer its terms and provisions;

- (b) To receive, investigate, and report to the Secretary complaints of violations;

- (c) To make rules and regulations to effectuate its terms and provisions; and

- (d) To recommend amendments to the Secretary.

#### § 918.22 Duties.

The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

- (a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon such duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

- (b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

- (c) Obtain a bond in a reasonable amount and with reasonable surety thereon covering each employee who handles funds entrusted to the market administrator;

- (d) Pay out of the funds provided by § 918.97 the cost of his bond and of the bonds of his employees, his own compensation, and all other expenses, except those incurred under § 918.96, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

- (e) Keep such books and records as will clearly reflect the transactions provided for herein, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

- (f) Submit his books and records to examination by the Secretary and furnish such information and reports as may be requested by the Secretary;

- (g) Audit all reports and payments by each handler by inspection of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends;

- (h) Publicly announce, at his discretion, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate, the name of any person, who after the date upon which he is required to perform such acts, has not made reports pursuant to § 918.30 and § 918.31 or payments pursuant to § 918.90;

- (i) Publicly announce, by posting in a conspicuous place in his office and by such other means as he deems appropriate, and notify each handler in writing on or before the 6th day of each month, the minimum price for Class I milk computed pursuant to § 918.51(a) and the Class I butterfat differential computed pursuant to § 918.52(a), both for the current month, and the minimum price for Class II milk computed pursuant to § 918.51(b) and the Class II butterfat differential computed pursuant to § 918.52(b), both for the previous month;

- (j) Notify each handler in writing on or before the 11th day of each month the amount of the net obligation of such handler for milk received from producers during the previous month. Such notification shall show the amount and the value of milk in each class, the amount and the value of overage, and the amount necessary to correct errors discovered by the market administrator in the verification of reports of such handler of his receipts and utilization of skim milk and butterfat for previous months;

- (k) Publicly announce by posting in a conspicuous place in his office and by such other means as he deems appropriate and notify each handler in writing:

- (1) On or before the 13th day after the end of each of the months of August through February, the uniform price and the location differential for each handler computed pursuant to § 918.71 and § 918.93, respectively, and the butterfat differential computed pursuant to § 918.92, and

- (2) On or before the 13th day after the end of each of the months of March through July, the uniform prices for base milk and for excess milk and the location differential for each handler computed pursuant to § 918.72 and § 918.93, respectively, and the butterfat differential computed pursuant to § 918.92; and

- (l) Prepare and disseminate to the public such statistics and such information as he deems advisable and as do not reveal confidential information.

### REPORTS, RECORDS, AND FACILITIES

#### § 918.30 Reports of receipts and utilization.

By mailing on or before the 6th day after the end of each month, or by delivery not later than the 8th day after the end of such month, each handler (except a producer-handler) for each of his approved plants and any cooperative association with respect to milk for which it is a handler pursuant to § 918.10 (b) or (c), shall report for such month to the market administrator in detail and on forms prescribed by the market administrator the following:

- (a) The quantities of skim milk and butterfat contained in receipts of producer milk;

- (b) The quantities of skim milk and butterfat contained in fluid milk products received from other handlers;

- (c) The quantities of skim milk and butterfat contained in other source milk;

- (d) The quantities of skim milk and butterfat contained in beginning and ending inventories of fluid milk products; and

- (e) The utilization of all skim milk and butterfat required to be reported pursuant to this section, including a separate statement of the disposition of Class I milk outside the marketing area.

#### § 918.31 Other reports.

- (a) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

- (b) Each handler operating a fluid milk plant and any cooperative associa-

tion which is a handler pursuant to § 918.10 (b) or (c), shall report to the market administrator in detail and on forms prescribed by the market administrator;

(1) On or before the 21st day of each month, the name and address or appropriate identification of each producer from whom milk was received during the first 15 days of such month, the total pounds of milk received from each producer, the location at which such milk was received, the amount of any deductions authorized in writing by producers from whom such handler received milk, the total pounds of milk received from each cooperative association which is a handler pursuant to § 918.10(c), and the name and address of each such cooperative association.

(2) By mailing on or before the 6th day after the end of the month, or by delivery not later than the 8th day after the end of such month, the correct name and address or appropriate identification of each producer, the total pounds of milk received from each producer, the location at which such milk was received, the number of days on which milk was received from each producer, the amount of any deductions authorized in writing by the producer to be made in making payments to such producer, and the average butterfat content of the milk received from each producer.

(3) Such other information with respect to the utilization of butterfat and skim milk as the market administrator may prescribe.

#### § 918.32 Records and facilities.

Each handler shall maintain and make available to the market administrator during the usual hours of business such accounts and records of his operations and such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipt and utilization of all skim milk and butterfat handled in any form.

(b) The weights and tests for butterfat and other content of all milk, skim milk, cream, and milk products handled; and

(c) The pounds of skim milk and butterfat contained in or represented by all milk, skim milk, cream, and milk products on hand at the beginning and end of each month.

#### § 918.33 Retention of records.

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the calendar month to which such books and records pertain. If, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the Act or a court action specified in such notice, the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the

market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

#### CLASSIFICATION

#### § 918.40 Skim milk and butterfat to be classified.

All skim milk or butterfat received within the month by handlers and which is required to be reported pursuant to § 918.30 shall be classified by the market administrator pursuant to the provisions of § 918.41 through § 918.46.

#### § 918.41 Classes of utilization.

Subject to the conditions set forth in § 918.43 and § 918.44, the class of utilization shall be as follows:

(a) Class I milk shall be all skim milk (including concentrated and reconstituted skim milk) and butterfat: (1) Disposed of in the form of a fluid milk product; and (2) not accounted for as Class II milk.

(b) Class II milk shall be all skim milk and butterfat: (1) Used to produce any product other than a fluid milk product; (2) in aerated cream and in cream frozen and stored; (3) disposed of and used for livestock feed; (4) contained in ending inventory of fluid milk products; and (5) in actual shrinkage of skim milk and butterfat (i) pursuant to § 918.42(b)(2) but not to exceed 2 percent of skim milk and butterfat in producer milk (except diverted milk), plus 1.5 percent of skim milk and butterfat, respectively, received from other handlers in bulk tanks, less 1.5 percent of skim milk and butterfat, respectively, disposed of in bulk tanks to nonfluid milk plants and to fluid milk plants of other handlers and (ii) allocated to other source milk pursuant to § 918.42(b)(1); and (6) the utilization of which is established as disposed of in bulk to bakeries, candy or soup manufacturers, and other commercial food manufacturing establishments which do not dispose of fluid milk products.

#### § 918.42 Shrinkage.

The market administrator shall allocate shrinkage to handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and

(b) For each handler prorate the resulting respective amounts between:

(1) The pounds of skim milk and butterfat in other source milk received in the form of fluid milk products; and

(2) 50 times the maximum pounds of skim milk and butterfat pursuant to § 918.41(b)(5)(i).

#### § 918.43 Responsibility of handlers and reclassification of milk.

All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.

#### § 918.44 Transfers.

Skim milk and butterfat transferred and moved from the fluid milk plant of

a handler (including diverted milk in the case of transfers to nonfluid milk plants), or by a cooperative association which is a handler pursuant to § 918.10(c), shall be classified as follows:

(a) The skim milk and butterfat in milk received by a fluid milk plant from a cooperative association which is a handler pursuant to § 918.10(c) shall be included as producer milk classified at the plant of the transferee handler;

(b) As Class I if transferred to a fluid milk plant of another handler in the form of fluid milk products unless the operators of both plants claim utilization thereof in Class II in their reports submitted pursuant to § 918.30. The skim milk or butterfat so assigned to Class II milk shall be limited to the amount thereof remaining in Class II milk in the plant of the receiving handler after the subtraction of other source milk pursuant to § 918.46, and any additional amounts of such skim milk or butterfat shall be assigned to Class I milk. If either or both handlers have received other source milk, the skim milk or butterfat so transferred shall be classified at both plants so as to allocate the greatest possible Class I milk utilization to producer milk;

(c) As Class I if transferred to the plant of a producer-handler in the form of fluid milk products;

(d) The skim milk and butterfat transferred to a nonfluid milk plant which is a fully regulated plant under another order issued pursuant to the Act shall be classified pursuant to the utilization assigned pursuant to the classification and allocation procedure of the other Federal order. In the event such nonfluid milk plant received skim milk or butterfat from two or more plants regulated by order(s) other than that under which it is regulated the amount classified in each class shall be a pro rata share of such receipts allocated to that class.

(e) As Class I if transferred in the form of fluid milk products to a nonfluid milk plant (except as specified in paragraph (d) of this section) which is not the plant of a producer-handler, unless:

(1) The transferee plant is located less than 225 miles from the city hall in Memphis, Tennessee, by the shortest highway distance open to commercial truck traffic as determined by the market administrator;

(2) The transferring handler claims utilization as Class II in the report due pursuant to § 918.30;

(3) The operator of the nonfluid milk plant keeps adequate books and records showing the utilization of all skim milk and butterfat received at such plant, and the market administrator is permitted to audit such books and records for the purpose of verification.

(4) Such nonfluid milk plant actually used an amount of skim milk or butterfat, respectively, equivalent to the total claimed as Class II (pursuant to § 918.41(b)(1)) by all handlers transferring or diverting milk from fluid milk plants to such nonfluid milk plant plus that priced in a comparable class under another order (issued pursuant to the Act) on the basis of utilization in such plant. Should

PROPOSED RULE MAKING

the equivalent utilization in the nonfluid milk plant be less than the required total, a pro rata share of the excess shall be classified as Class I.

§ 918.45 Computation of the skim milk and butterfat in each class.

For each month, the market administrator shall correct for mathematical and for other obvious errors the reports of receipts and utilization of each handler and shall compute the pounds of butterfat and skim milk in Class I milk and Class II milk for such handler. If any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by a handler, the pounds of skim milk disposed of in such product shall be considered to be an amount equivalent to the nonfat milk solids contained in such product, plus all of the water originally associated with such solids, except that when nonfat milk solids are added to producer milk in an amount, as shown by solids tests of individual batches, which does not increase the total solids-nonfat content of such milk beyond 8.5 percent by weight, the volume of water originally associated with such nonfat milk solids shall not be considered in determining the pounds of skim milk disposed of in such product.

§ 918.46 Allocation of skim milk and butterfat classified.

After making the computations pursuant to § 918.45, the market administrator shall determine the classification of producer milk for each handler as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II milk the pounds of skim milk computed pursuant to § 918.41(b) (5) (i) ;

(2) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk;

(3) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month;

(4) Subtract from the remaining pounds of skim milk in each class the skim milk received from fluid milk plants of other handlers in the form of fluid milk products according to its classification as determined pursuant to § 918.44(b) ;

(5) Add to the remaining pounds of skim milk in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(6) If the remaining pounds of skim milk in both classes exceed the pounds of skim milk contained in producer milk subtract such excess from the remaining pounds of skim milk in series beginning with Class II milk. Any amount so subtracted shall be known as "average."

(b) Butterfat shall be allocated in accordance with the same procedure outlined for skim milk in paragraph (a) of this section.

(c) Determine the weighted average butterfat content of the Class I and Class II milk allocated to producer milk.

MINIMUM PRICES

§ 918.50 Basic formula price.

The highest of the prices computed pursuant to paragraphs (a), (b) and (c) of this section and § 918.51(b), rounded to the nearest whole cent, shall be known as the basic formula price.

(a) To the average of the basic or field prices per hundredweight reported to have been paid or to be paid for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture:

Present Operator and Location

- Borden Co., Mount Pleasant, Mich.
- Carnation Co., Sparta, Mich.
- Pet Milk Co., Wayland, Mich.
- Pet Milk Co., Coopersville, Mich.
- Borden Co., Orfordville, Wis.
- Borden Co., New London, Wis.
- Carnation Co., Richland Center, Wis.
- Carnation Co., Oconomowoc, Wis.
- Pet Milk Co., New Glarus, Wis.
- Pet Milk Co., Belleville, Wis.
- White House Milk Co., Manitowoc, Wis.
- White House Milk Co., West Bend, Wis.

Add an amount computed by multiplying the Chicago butter price for the month by 0.6;

(b) The price computed by adding together any plus values computed pursuant to subparagraphs (1) and (2) of this paragraph:

(1) Multiply the Chicago butter price by 4.8;

(2) Deduct five cents from the simple average as computed by the market administrator of the weighted averages of carlot prices per pound of nonfat dry milk solids, spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department of Agriculture, and multiply by 7.5.

(c) The price resulting from the following calculations:

(1) Multiply by 8.53 the average of the daily prices per pound of cheese at Wisconsin primary markets ("Cheddars," f.o.b. Wisconsin assembly points, cars or truckloads) as reported by the U.S.D.A. during the month;

(2) Add 0.902 times the Chicago butter price for the month;

(3) Subtract 34.3 cents; and

(4) Add an amount computed by multiplying the Chicago butter price for the month by 0.6.

§ 918.51 Class prices.

Subject to the provisions of § 918.52 and § 918.53, the minimum prices per hundredweight to be paid by each handler for milk received from producers during the month shall be as follows:

(a) *Class I milk.* The price per hundredweight for Class I milk for the month shall be the basic formula price for the preceding month, subject to the

adjustments provided in subparagraphs (1) and (2) of this paragraph:

(1) Add \$1.74 for each month;

(2) Add if the net utilization percentage calculated pursuant to subparagraph (3) of this paragraph is less than, or subtract if it is more than the base utilization range, an amount determined by multiplying such net utilization percentage by three cents: *Provided*, That the price shall not be adjusted until after the net utilization percentage is either less or more than the base utilization range, pursuant to subparagraph (3) of this paragraph for each of three consecutive months;

(3) The figure calculated for each month as follows shall be known as the net utilization percentage: Divide the net pounds of Class I milk utilized by fluid milk plants and by cooperative associations which are handlers pursuant to § 918.10 (b) or (c) for the second and third preceding months into the pounds of producer milk for the same months, multiply by 100, round to the nearest whole percentage number and determine the amount by which such number exceeds the higher figure or is less than the lower figure of the appropriate base utilization range in the following table:

Pricing month	Second and third preceding months	Base utilization range
January.....	October-November.....	107-113
February.....	November-December.....	108-114
March.....	December-January.....	105-111
April.....	January-February.....	103-109
May.....	February-March.....	106-112
June.....	March-April.....	108-114
July.....	April-May.....	109-115
August.....	May-June.....	111-117
September.....	June-July.....	111-117
October.....	July-August.....	109-115
November.....	August-September.....	110-116
December.....	September-October.....	109-115

(b) *Class II milk.* The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture:

Present Operator and Location

- Borden Co., Starkville, Miss.
- Carnation Co., Tupelo, Miss.
- Pet Milk Co., Mayfield, Ky.
- Pet Milk Co., Kosciusko, Miss.
- Kraft Foods Co., Corinth, Miss.
- Armour Creameries, New Albany, Miss.

To which 30 cents shall be added for each of the months of September, October, and November, and 20 cents for all other months.

§ 918.52 Butterfat differential to handlers.

For milk containing more or less than 4.0 percent butterfat, the class prices calculated pursuant to § 918.51 shall be increased or decreased, respectively, for each one-tenth percent butterfat at the appropriate rate determined as follows:

(a) *Class I price.* Multiply the Chicago butter price for the previous month by 0.12;

(b) *Class II price.* Multiply the Chicago butter price for the month by 0.11 for the months of April through June, and by 0.115 for all other months.

**§ 918.53 Location differentials to handlers.**

For that milk which is received at a fluid milk plant (from producers or from a cooperative association which is a handler pursuant to § 918.10(c)), located 50 miles or more from the city hall in Memphis, Tennessee, by shortest hard-

surfaced highway distance, as determined by the market administrator, and which is transferred in the form of products designated as Class I milk in § 918.41 to another fluid milk plant and assigned to Class I pursuant to the calculation provided by the last paragraph of this section, or otherwise classified as Class I milk, the price specified in § 918.51(a) shall be adjusted at the rate set forth in the following schedule according to the location of the fluid milk plant where such milk is received:

Location of plant	Rate per hundredweight
In the State of Mississippi and 50 but less than 60 miles distance from the city hall in Memphis.	Add 9 cents, plus 1.5 cents for each additional 10 miles or fraction thereof.
Outside the State of Mississippi and 50 but less than 60 miles distance from the city hall in Memphis.	Subtract 9 cents, plus 1.5 cents for each additional 10 miles or fraction thereof.

For purposes of calculating such location differential, fluid milk products which are transferred between fluid milk plants shall be assigned to any remainder of Class II milk in the receiving plant after making the calculations prescribed in § 918.46(a) (1), (2) and (3), and the comparable steps in § 918.46(b) for such plant, and after deducting from such remainder an amount equal to 0.05 times the skim milk and butterfat contained in producer milk at the receiving plant including receipts at such plant for which a cooperative association is the handler pursuant to § 918.10(c), such assignment to the transferring plant(s) to be made in sequence according to the location differential applicable at each plant, beginning with the plant having the largest differential.

**§ 918.54 Use of equivalent prices.**

If for any reason a price quotation required by this order for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

**APPLICATION OF PROVISIONS**

**§ 918.60 Producer-handlers.**

Sections 918.40 through 918.46, 918.50 through 918.53, 918.70 through 918.72, 918.80 through 918.83, and 918.90 through 918.97 shall not apply to a producer-handler.

**§ 918.61 Plants subject to other Federal orders.**

A plant specified in paragraph (a) or (b) of this section shall be considered a nonfluid milk plant except that the operator of such plant shall, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require, in lieu of the reports required pursuant to § 918.30, and allow verification of such reports by the market administrator.

(a) Any plant qualified pursuant to § 918.7(a) which would be subject to the classification and pricing provisions of another order unless a greater volume of Class I milk was disposed of from

such plant during the six-month period immediately preceding to retail or wholesale outlets (except fluid milk plants) in the Memphis, Tennessee, marketing area than in the marketing area regulated pursuant to such other order.

(b) Any plant qualified pursuant to § 918.7(b) which would be subject to the classification and pricing provisions of another order issued pursuant to the Act unless such plant was qualified as a fluid milk plant during each of the preceding months of September through December.

**DETERMINATION OF UNIFORM PRICES**

**§ 918.70 Net obligations of handlers.**

The net obligation of each handler for skim milk and butterfat, in producer milk and in milk received from a cooperative association which is a handler pursuant to § 918.10(c), during each month shall be a sum of money computed by the market administrator as follows:

(a) Multiply the pounds of such milk in each class by the applicable class price;

(b) Add together the resulting amounts;

(c) Add the amounts computed by multiplying the pounds of overage deducted from each class by the applicable class price;

(d) Add or subtract, as the case may be, an amount necessary to correct errors discovered by the market administrator in the verification of reports of such handler of his receipts and utilization of skim milk and butterfat for previous months;

(e) Add an amount computed by multiplying by the difference between the appropriate Class II milk price for the preceding month and the appropriate Class I price for the current month the lesser of:

(1) The hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 918.46(a) (3) and the corresponding step of § 918.46(b); or

(2) The hundredweight of skim milk and butterfat remaining in Class II milk for the preceding month after the calculation pursuant to § 918.46(a) (4) and the corresponding step of § 918.46(b).

(f) In computing, for the purposes of § 918.71, the net obligation of a cooperative association which is a handler pur-

suant to § 918.10(c) the value of milk received by fluid milk plants of other handlers shall be the sum of the amounts assigned pursuant to § 918.71(c) with respect to such milk, adjusted at rates set forth in § 918.92 and § 918.93 for butterfat content and location of the fluid milk plant to which delivered.

**§ 918.71 Computation of uniform prices for handlers.**

For each month the market administrator shall compute for each handler a uniform price with respect to his producer milk as follows:

(a) Add to the amount computed pursuant to § 918.70 the total of the location differential deductions applicable pursuant to § 918.93;

(b) Add or subtract for each one-tenth percent that the average butterfat content of milk received by such handler from producers and from cooperative associations pursuant to § 918.10(c) is less or more, respectively, than 4.0 percent, an amount computed by multiplying such difference by the butterfat differential to producers, and multiplying the result by the total hundredweight of such milk;

(c) For each handler operating a fluid milk plant receiving milk for which a cooperative association is the handler pursuant to § 918.10(c), prorate the resulting amount between such milk and producer milk;

(d) Add the amount represented by any deductions made for eliminating fractions of a cent in computing the uniform prices for the preceding month;

(e) Divide the resulting amount by the total hundredweight of producer milk received by the handler. The result, less any fraction of a cent per hundredweight, shall be known as the uniform price for such handler for milk of 4.0 percent butterfat content f.o.b. market.

**§ 918.72 Computation of the uniform price for base milk and for excess milk for handlers.**

For each of the months of March through July, the market administrator shall compute for each handler with respect to his producer milk, a uniform price for base milk and for excess milk as follows:

(a) Add to the amount computed pursuant to § 918.70 the total of the location differential deductions made pursuant to § 918.93;

(b) Add or subtract for each one-tenth percent that the average butterfat content of such milk received by such handler is less or more, respectively, than 4.0 percent, an amount computed by multiplying such difference by the butterfat differential to producers, and multiplying the result by the total hundredweight of such milk;

(c) Subtract, for each of the months of March through July, any amounts resulting from the following computations for each cooperative association which is a handler pursuant to § 918.10(b) and from whose producers the handler receives milk:

(1) Compute the percentage which milk received from members of the cooperative association was of total pro-

ducer milk during the preceding period of September through January;

(2) Compute the percentage which milk received from members of such cooperative association was of total producer milk during the month;

(3) Multiply any amount by which the percentage computed pursuant to subparagraph (1) of this paragraph exceeds the percentage computed pursuant to subparagraph (2) of this paragraph by the total hundredweight of Class I milk allocated to producer milk during the month; and

(4) Multiply this resultant quantity of milk by the difference between the Class I price and the Class II price for the month and divide the resultant figure by the proportion of producer milk which was purchased from producers not members of such cooperative association. If the combined deductions so calculated for all handlers with respect to the milk of any cooperative association exceed an allowable credit calculated by multiplying the difference between the Class I and Class II prices by the total quantity of Class II milk allocated to all member producers of such cooperative association during the month, such deductions shall be reduced pro rata for each handler to equal such allowable credit;

(d) Add, for each cooperative association which is a handler, the sum of the deductions made for such cooperative association pursuant to paragraph (c) of this section;

(e) Subtract, for each handler operating a fluid milk plant receiving milk for which a cooperative association is the handler pursuant to § 918.10(c), the amount prorated to such milk pursuant to § 918.71(c);

(f) Add the amount represented by any deductions made for eliminating fractions of a cent in computing the uniform price(s) for the preceding month;

(g) Subject to the conditions set forth in paragraph (h) of this section, compute the value of excess milk received by such handler by multiplying the quantity of such milk by the Class II price;

(h) Compute the value of base milk received by such handlers by subtracting the value obtained pursuant to paragraph (g) of this section from the value obtained pursuant to paragraphs (a) through (f) of this section. If such resulting value is greater than an amount computed by multiplying the pounds of such base milk by the Class I price, such value in excess thereof shall be added to the value computed pursuant to paragraph (g) of this section;

(i) Divide the value obtained pursuant to paragraph (h) of this section by the hundredweight of base milk received by such handler. This result, less any fraction of a cent per hundredweight, shall be known as the uniform price for such handler for base milk of 4.0 percent butterfat content, f.o.b. the market; and

(j) Divide the value obtained pursuant to paragraph (g) of this section by the hundredweight of excess milk received by such handler. This result, less any fraction of a cent per hundredweight,

shall be known as the uniform price for such handler for excess milk of 4.0 percent butterfat content.

#### BASE RATING

##### § 918.80 Determination of daily base for each producer.

Subject to the rules set forth in § 918.82 the daily average base for each producer shall be calculated by dividing the total pounds of milk received from such producer by handlers during the months of September through January immediately preceding, by the total number of days in such period beginning with the first day on which milk is received from such producer during such months, but not less than 120. In the case of a producer whose milk is received at a plant which becomes a fluid milk plant during or after the end of the base-forming period, and which has records of milk receipts satisfactory to the market administrator for the determination of a base, the producer's base shall be that which would have been calculated for such producer (exclusive of transfers) for the entire base-forming period if such plant had been a fluid milk plant during such period.

##### § 918.81 Determination of monthly base for each producer.

For each of the months of March through July of each year the monthly base of each producer shall be calculated as follows: Multiply the daily base of such producer by the number of day's production received from such producer by handlers during the month.

##### § 918.82 Base rules.

The following rules shall apply in connection with the establishment and assignment of bases.

(a) Subject to the provisions of paragraph (b) of this section, the market administrator shall assign a base as calculated pursuant to § 918.80 to each person for whose account producer milk was delivered during the months of September through January.

(b) If a producer ceases to deliver milk in his name between September 1 and the last day of January, but milk is delivered to a handler from the same dairy production facility in the name of another producer during the remainder of the base-forming period, the base earned by both producers shall be combined in the manner set forth in paragraph (c)(3) of this section if milk is delivered in the names of both producers during any of the immediately following months of March through July; and

(c) An entire base shall be transferred from a person holding such base to another person as of the end of the month during which an application for the transfer of such base is received by the market administrator, such application to be on forms approved by the market administrator and signed by the base holder or his heirs and by the person to whom such base is to be transferred subject to the following conditions:

(1) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders;

(2) An entire base or the proportionate share of a jointly held base may be transferred to another person if such person assumes the ownership or operation of the farm on which the base to be transferred was established; and

(3) If one or more bases are transferred to a producer already holding a base which was either earned by such producer or transferred to him, a new base shall be computed by adding together the total producer milk deliveries during the base-forming period of all persons in whose names such bases were earned and dividing the total by the total number of days in such period beginning with the first day on which milk was received during the base-forming period from any of such persons, but not less than 120 days.

##### § 918.83 Announcement of daily bases.

On or before February 20 of each year, the market administrator shall notify each producer of his daily base.

#### PAYMENTS

##### § 918.90 Payments to market administrator.

(a) On or before the 25th day of each month each handler operating a fluid milk plant shall pay to the market administrator a sum of money calculated by multiplying the hundredweight of milk received from producers and from a cooperative association which is a handler pursuant to § 918.10(c), during the first 15 days of such month by the Class II price for the preceding month, less proper deductions authorized in writing by producers from whom such handler received milk;

(b) On or before the 12th day after the end of each month, each handler operating a fluid milk plant shall pay to the market administrator an amount of money equal to such handler's net obligation for such month as determined pursuant to § 918.70 less payments made pursuant to paragraph (a) of this section for such month and less proper deductions authorized in writing by producers from whom such handler received milk.

##### § 918.91 Payments to producers.

(a) On or before the last day of each month, the market administrator shall make payment to each producer for milk received from such producer during the first 15 days of such month by handlers from whom the appropriate payments pursuant to § 918.90(a) have been received at not less than the Class II price per hundredweight for the preceding month;

(b) On or before the 15th day after the end of each month, the market administrator shall make payment to each producer for milk received from such producer or cooperative association during the month by each handler from whom the appropriate payments have been received pursuant to § 918.90(b), such payments by the market administrator to be at not less than the uniform price computed pursuant to § 918.71 for such handler for the months of August through February, and such payments to be for base and excess milk at not less than the uniform base and excess prices,

respectively, computed pursuant to § 918.72 for such handler for other months, subject to the following adjustments:

- (1) Butterfat and location differentials pursuant to § 918.92 and § 918.93;
- (2) Less payments made pursuant to paragraph (a) of this section;
- (3) Less marketing service deductions pursuant to § 918.96;
- (4) Less proper deductions authorized in writing by the producer;
- (5) Adjusted for any error in calculating payment to such individual producer for past months; and
- (6) If the market administrator has not received full payment from any handler for such month, pursuant to § 918.90, he shall reduce uniformly per hundredweight his payments due for milk received by such handler by a total amount not in excess of the amount due from such handler. The market administrator shall make such balance of payment to such producers on or before the next date (for making payments pursuant to this paragraph) following that on which such balance of payment is received from such handler.

(c) In making payments to producers pursuant to paragraphs (a) and (b) of this section the market administrator shall pay, on or before the second day prior to the date payments are due to individual producers;

(1) To a cooperative association which is authorized to collect payment for milk of its members and from which a written request for such payment has been received, a total amount equal to, but not less than, the sum of the individual payments otherwise payable to such producers pursuant to this section with respect to milk received from such producers by other handlers; and

(2) To a cooperative association with respect to milk for which it is a handler pursuant to § 918.10(c) the sum of the aggregate values of the milk delivered to the fluid milk plant(s) of each handler at the amounts assigned pursuant to § 918.71(c) for such handler, adjusted pursuant to §§ 918.92 and 918.93 for butterfat content and location of the fluid milk plant to which delivered.

§ 918.92 Butterfat differential to producers.

The applicable uniform prices to be paid each producer pursuant to § 918.91 shall be increased or decreased for each one-tenth of one percent which the butterfat content of his milk is above or below 4.0 percent, respectively, at the rate shown in the schedule below, according to the price range within which the Chicago butter price for the month falls:

§ 918.92 Butterfat differential to producers.

The applicable uniform prices to be paid each producer pursuant to § 918.91 shall be increased or decreased for each one-tenth of one percent which the butterfat content of his milk is above or below 4.0 percent, respectively, at the rate shown in the schedule below, according to the price range within which the Chicago butter price for the month falls:

Butter price range (cents):	Rate (cents)
Not more than 17.500-----	2
17.50-22.499-----	2½
22.50-27.499-----	3
27.50-32.499-----	3½
32.50-37.499-----	4
37.50-42.499-----	4½
42.50-47.499-----	5
47.50-52.499-----	5½
52.50-57.499-----	6
57.50-62.499-----	6½
62.50-67.499-----	7
67.50-72.499-----	7½

Butter price range (cents)—Con.	Rate (cents)
72.50-77.499-----	8
77.50-82.499-----	8½
82.50-87.499-----	9
87.50-92.499-----	9½
92.50 and over-----	10

§ 918.93 Location differentials to producers.

In making payment to producers pursuant to § 918.91, the applicable uniform prices to be paid for milk received at a fluid milk plant (from producers or from a cooperative association which is a handler pursuant to § 918.10(c)) shall be adjusted according to the location of the fluid milk plant where such milk was received at the rate provided pursuant to § 918.53.

§ 918.94 Statement to producers.

In making the payments pursuant to § 918.91, the market administrator shall furnish each producer or cooperative association with a statement, in such form that it may be retained by the producer or cooperative association which shall show:

- (a) The delivery period and the identity of the handler and the producer;
- (b) The total pounds of milk received from the producer;
- (c) The average butterfat content of the total pounds of milk received from the producer during the month;
- (d) The minimum rates at which payment to the producer or cooperative association is required under the provisions of §§ 918.91, 918.92 and 918.93;
- (e) The amount or rates per hundredweight of each deduction, together with a description of the respective deductions; and
- (f) The net amount of payment to the producer or cooperative association.

§ 918.95 Adjustment of accounts.

Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in money due the market administrator from such handler, or due such handler from the market administrator, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 918.96 Marketing services.

(a) *Deductions.* The market administrator in making payments to producers pursuant to § 918.91 shall:

- (1) Deduct 7 cents per hundredweight or such amount not exceeding 7 cents per hundredweight as may be prescribed by the Secretary, with respect to milk (other than milk of a handler's own production) of those producers for whom the marketing services set forth in paragraph (b) of this section are not being performed by a cooperative association; or
- (2) If so requested in writing by a cooperative association, deduct such amount as may be authorized by the member producers of such association from the payment to be made to such producers for whom the cooperative is performing the services specified in para-

graph (b) of this section and pay such amounts to the cooperative association on or before the date for making payment to producers.

(b) *Marketing services to be rendered.*

The monies received by the market administrator pursuant to paragraph (a)(1) of this section shall be used by the market administrator to provide market information and to check the accuracy of the testing and weighing of their milk for producers who are not receiving such service from a cooperative association.

§ 918.97 Expense of administration.

As his pro rata share of the expense of administration of this part, each handler shall pay to the market administrator, on or before the 15th day after the end of the month, for such month, 4 cents per hundredweight, or such amount not exceeding 4 cents per hundredweight as the Secretary may prescribe, as follows:

(a) By each handler pursuant to § 918.10(a) with respect to all:

- (1) Receipts of milk from producers (including such handler's own production) and from cooperative associations which are handlers pursuant to § 918.10(c); and
- (2) Other source milk received at a fluid milk plant classified as Class I milk; and

(b) By a cooperative association with respect to all:

- (1) Milk for which such cooperative association is a handler pursuant to § 918.10(b); and
- (2) Milk for which such cooperative association is accountable pursuant to § 918.10(c) in excess of that specified in paragraph (a) of this section.

§ 918.98 Termination of obligations.

The provisions of this section shall apply to any obligation under this part for the payment of money.

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain, but need not be limited to, the following information:

- (1) The amount of the obligation;
- (2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and
- (3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be

made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of a handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c(15) (A) of the Act, a petition claiming such money.

**EFFECTIVE TIME, SUSPENSION, OR  
TERMINATION**

**§ 918.100 Effective time.**

The provisions of this part or any amendment to this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 918.101.

**§ 918.101 Suspension or termination.**

The Secretary may suspend or terminate this part or any provision hereof whenever he finds this part or any provision hereof obstructs or does not tend to effectuate the declared policy of the Act. This part shall terminate in any event whenever the provisions of the Act authorizing it cease to be in effect.

**§ 918.102 Continuing obligations.**

If, upon the suspension or termination of any or all provisions of this part, there are any obligations thereunder the final accrual or ascertainment of which requires further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

**§ 918.103 Liquidation.**

Upon the suspension or termination of the provisions of this part, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all

assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated, all assets, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation, the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed to contributing handlers and producers in an equitable manner.

**MISCELLANEOUS PROVISIONS**

**§ 918.110 Agents.**

The Secretary may by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

**§ 918.111 Separability of provisions.**

If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D.C., this 8th day of February, 1960.

**ROY W. LENNARTSON,**  
*Deputy Administrator,*  
*Agricultural Marketing Service.*

[F.R. Doc. 60-1310; Filed, Feb. 10, 1960; 8:45 a.m.]

**ATOMIC ENERGY COMMISSION**

**[ 10 CFR Part 50 ]**

**LICENSING OF PRODUCTION AND  
UTILIZATION FACILITIES**

**Notice of Proposed Rule Making**

The following proposed amendment is designed to prohibit the construction of any production or utilization facility prior to the issuance of a construction permit by the Commission.

Under the Atomic Energy Act of 1954, as amended, the Commission is directed to grant a construction permit prior to issuing a facility license. The following proposed amendment would prohibit the commencement of construction of a foundation for a production or utilization facility and any portion of the permanent facility on the site on which the facility is to be operated before a construction permit is issued. Under the amendment, site exploration and excavation and the procurement or manufacture of components of the facility could be conducted without a construction permit.

Notice is hereby given that adoption of the following amendment to Part 50, 10 CFR "Licensing of Production and Utilization Facilities" is contemplated. All interested persons who desire to submit written comments and suggestions should send them to the U.S. Atomic Energy Commission, Washington 25, D.C., Attention: Division of Licensing and Regulation within 60 days after pub-

lication of this notice in the FEDERAL REGISTER.

Section 50.10 of Part 50, 10 CFR, is amended by designating the existing provision as paragraph "(a)" and adding the following new paragraph (b). As amended § 50.10(b) reads as follows:

**§ 50.10 License required.**

(b) No person shall begin the construction of a production or utilization facility on a site on which the facility is to be operated until a construction permit has been issued. This prohibition does not apply to site exploration or excavation, or procurement or manufacture of components of the facility. It does prohibit laying the foundation and construction of any portion of the permanent facility on the site.

Dated at Germantown, Md., this 5th day of February 1960.

For the Atomic Energy Commission.

**A. R. LUEDECKE,**  
*General Manager.*

[F.R. Doc. 60-1315; Filed, Feb. 10, 1960; 8:45 a.m.]

**[ 10 CFR Part 50 ]**

**LICENSING OF PRODUCTION AND  
UTILIZATION FACILITIES**

**Notice of Proposed Rule Making**

At the present stage of development are designed to revise the criteria for issuance of construction permits.

At the present stage of developments of nuclear reactors, particularly power and testing reactors, most new facilities incorporate features having varying degrees of advanced technology. Usually in these cases substantial research and development effort is needed to prove out the feasibility of major features or components of the project.

Under the proposed amendments, the Commission may issue construction permits on the basis of site approval for a facility of the size and general design concepts proposed even though there are major features or components with respect to which necessary safety determinations cannot then be made. The Commission will not be required to make a judgment as to the probable results of research and development programs to resolve the undetermined safety questions. The applicant will be on notice as to the features for which safety approval is withheld at the time of issuance of the construction permit. It will be permissible for him to start construction after he has obtained this site approval and he may thereafter obtain approval of design details and specifications by amendment to his provisional construction permit as the work progresses.

Notice is hereby given that adoption of the following amendment is contemplated. All interested persons who desire to submit written comments and suggestions for consideration in connection with the proposed amendments should send them to the United States Atomic Energy Commission, Washington 25, D.C., Attention: Director, Division of

Licensing and Regulation, within 60 days after publication of this notice in the FEDERAL REGISTER.

Section 50.35 is amended to read as follows:

**§ 50.35 Issuance of construction permits.**

(a) Where, because of the nature of a proposed project, an applicant is not in a position to supply initially all of the technical information required to support the issuance of a construction permit which approves all proposed design features, the Commission may nevertheless issue a construction permit if it finds that there is reasonable assurance that the proposed location is suitable from a safety standpoint for a facility of the size (power level in the case of reactors) and general design concept proposed, that the applicant has identified any major features or components on which further research and development work is needed to determine their acceptability from a safety standpoint, and that the applicant will conduct a research and development program which will investigate the unresolved safety questions.

(b) A construction permit will constitute an authorization to the applicant to proceed with construction but will not constitute Commission safety approval of any design feature, or specification unless the applicant specifically requests such approval and such approval is incorporated in the permit. The applicant, at his option, may request such approvals in the initial construction permit or, from time to time, by amendment to his construction permit.

(c) Except to the extent that approval of design features or specifications has been incorporated in the permit, any construction permit will be subject to the limitation that a license authorizing operation of the facility will not be issued by the Commission until the applicant has submitted to the Commission (by amendment to the application) the complete final hazards summary report (portions of which may be submitted and evaluated from time to time), and the Commission has found that the final design provides reasonable assurance that the health and safety of the public will not be endangered by operation of the facility in accordance with the procedures, limitations and conditions specified in the final hazards summary report.

Dated at Germantown, Md., this 5th day of February 1960.

For the Atomic Energy Commission.

A. R. LUEDECKE,  
General Manager.

[F.R. Doc. 60-1313; Filed, Feb. 10, 1960; 8:45 a.m.]

[ 10 CFR Part 50 ]

**LICENSING OF PRODUCTION AND UTILIZATION FACILITIES**

**Notice of Proposed Rule Making**

The following proposed amendment is necessary to permit orderly and expedi-

tious transition from a construction permit to an operating license in cases where (1) the evidence will not support a finding of completion of construction in compliance with the terms and conditions of the construction permit, or (2) there are involved features, characteristics, or components of the proposed facility as to which it appears desirable to obtain actual or further operating experience before issuance of an operating license for the full term, up to 40 years, requested by the applicant.

The Atomic Energy Act of 1954 and the Commission's rules and regulations require findings of completion of construction and of reasonable assurance of safe operation as a condition precedent to the issuance of a final operating license for the full term of years requested by each applicant. The proposed provisional license procedure recognizes the practical problems of reactor construction and operation and provides an orderly transition from construction permit to final operating license, without unnecessary delay and undue hazard to the public health and safety.

The regulations in Part 50 now provide for conversion of a construction permit to an operating license upon (1) completion of construction of the facility in compliance with the terms and conditions of the construction permit and subject to any necessary testing of the facility for health and safety purposes, and (2) satisfaction of requirements relating to, among other things, reasonable assurance of safe operation and compliance with Commission regulations, and technical and financial qualification. Introduction of fuel into the facility and commencement of operations are precluded under current practice until the construction permit is converted into an operating license, and there is no express provision in the regulations for a provisional operating license. Important, although frequently conventional, reactor components may not be finally installed in the facility until just prior to scheduled nuclear loading of the facility. In cases where components cannot be installed until after the introduction of nuclear fuel, it is impossible to make the necessary finding of completion prior to loading.

After completion of construction and preliminary operation under the provisional operating license procedure, applicants and the Commission will ordinarily be in a more realistic position to pass upon safety questions which must be resolved before a final operating license can be issued. The use of the provisional operating license to effect the transition recognizes that loading and initial testing, during which construction may be completed, involve a nuclear risk which is not present in the work authorized under the construction permit. In the Matter of Power Reactor Development Company, Dkt. No. F-16, Opinion and Final Decision, p. 22 (May 26, 1959).

Under the proposed amendment, each provisional operating license would contain appropriate conditions to assure full protection for public health and safety, including inspection by the Commission's staff and pre-operational tests before loading commenced. During pre-

liminary operations after loading, appropriate notices and reports by the applicant, and appropriate inspections by the AEC staff, would be required to keep the Commission fully informed at all times. In this connection, it should be noted that under the Commission's present rules, orders may be issued by the agency in appropriate cases without prior notice, to protect the public health and safety, see 10 CFR § 2.202.

Under the proposed amendment, after the completion of construction or the conclusion of preliminary testing under the provisional operating license, or both, the applicant would move for issuance of a final operating license for the full term of years requested. In cases where a hearing was required or ordered pursuant to the AEC Rules of Practice, the hearing examiner would issue an appropriate intermediate decision and order immediately effective, subject to (1) the review thereof and further decision thereon by the Commission, upon exceptions thereto filed by any party within twenty days thereafter, and (2) such further order as the Commission might enter upon such exceptions or upon its own motion within forty-five days after the issuance of the hearing examiner's decision and order.

Notice is hereby given that adoption of the following amendment is contemplated. All interested persons who desire to submit written comments and suggestions for consideration in connection with the proposed amendment should send them to the United States Atomic Energy Commission, Washington 25, D.C. Attention: Director, Division of Licensing and Regulation within sixty days after publication of this notice in the FEDERAL REGISTER.

1. Section 50.57 is added to 10 CFR, Part 50, as follows:

**§ 50.57 Provisional operating license.**

(a) As an intermediate procedure prior to issuance of an operating license pursuant to § 50.56, the Commission may issue a provisional operating license in a proceeding where a finding required for the issuance of a final operating license cannot be made because (1) construction of the facility has not been completed, or (2) there are involved features, characteristics, or components of the proposed facility as to which it appears desirable to obtain actual or further operating experience before issuance of an operating license for the full term, up to forty (40) years, requested by the applicant.

(b) In any case subject to paragraph (a) of this section, a provisional operating license will be issued by the Commission, after procedure pursuant to Part 2 of this chapter, as modified herein, upon findings that:

(1) Construction of the facility has proceeded, and there is reasonable assurance that the facility will be completed, in conformity with the construction permit and the application as amended, the provisions of the Act, and the rules and regulations of the Commission; and

(2) There is reasonable assurance (i) that the activities authorized by the provisional operating license can be conducted without endangering the health and safety of the public, and (ii) that

such activities will be conducted in compliance with the regulations in this chapter; and

(3) The applicant is technically and financially qualified to engage in the activities authorized by the provisional operating license in accordance with the regulations in this chapter; and

(4) The proof of financial protection specified by § 140.13 of this chapter has been furnished, and, if appropriate, the information specified in § 140.16 of this chapter; and

(5) There is reasonable assurance that the facility will be ready for initial loading with nuclear fuel within ninety (90) days.

(c) Each provisional operating license will include appropriate provisions with respect to any uncompleted items of construction or other matters covered by provisional findings, to assure that operations during the period of the provisional operating license will not endanger public health and safety.

(d) The duration of each provisional operating license will be specified therein, not to exceed eighteen (18) months from the date of issuance: *Provided however*, That, upon good cause shown, the expiration date of the provisional operating license may be extended.

(e) Upon good cause being shown, the Hearing Examiner may provide that any intermediate decision and order issued pursuant to this section shall become effective immediately upon issuance subject to (1) the review thereof and further decision by the Commission upon exceptions thereto filed by any party within twenty (20) days after issuance of such intermediate decision, pursuant to the Commission's rules of practice, and (2) such further order as the Commission may enter upon such exceptions or upon its own motion within forty-five (45) days after the issuance of such intermediate decision: *Provided however*, That in the absence of any further Commission order pursuant to the foregoing, the intermediate decision of the Hearing Examiner shall become the final decision of the Commission at the end of such forty-five (45) day period.

Dated at Germantown, Md., this 5th day of February 1960.

For the Atomic Energy Commission.

A. R. LUEDECKE,  
General Manager.

[F.R. Doc. 60-1314; Filed, Feb. 10, 1960;  
8:45 a.m.]

## FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 13389; FCC 60-111]

[ 47 CFR Part 3 ]

### ANNOUNCEMENT OF SPONSORED PROGRAMS

#### Notice of Proposed Rule Making

In the matter of amendment of §§ 3.119, 3.289, 3.654 and 3.789 of the Commission's rules.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. Section 317 of the Communications Act reads as follows:

All matter broadcast by any radio station for which service money, or any other valuable consideration is directly or indirectly paid, or promised to or charged or accepted by, the station so broadcasting, from any person, shall, at the time the same is so broadcast, be announced as paid for or furnished, as the case may be, by such person.

The above statute has been implemented by §§ 3.119, 3.289, 3.654 and 3.789 of the Commission's rules. Sufficient evidence exists which indicates that as a result of valuable consideration received by station employees and others, matter has been broadcast unaccompanied by the announcements provided for in the Act and the rules. Accordingly, the Commission is of the view that the public interest would be served by the adoption of a rule providing that each licensee shall adopt appropriate procedures to prevent such practices.

3. It is proposed to amend the above-captioned rules by the addition thereto of paragraph (f) reading as follows:

(f) All licensees and operating permittees shall adopt procedures to prevent the broadcasting of any matter for which service, money or other valuable consideration is, directly or indirectly, paid or promised to, or charged or accepted by, any officer, employee or independent contractor of the station, unless at the time the same is so broadcast it is announced as being paid for or furnished by such person.

4. Any interested party who is of the view that the proposed amendment should not be adopted, or should not be adopted in the form set forth herein, may file with the Commission on or before March 1, 1960, a written statement or brief setting forth his comments. Comments in support of the proposed amendment may also be filed on or before the same date. Comments or briefs in reply to the original comments may be filed within 10 days from the last day for filing said original comments.

5. Authority for the adoption of the amendment proposed herein is contained in sections 4(i), 303(r) and 317 of the Communications Act of 1934, as amended.

6. In accordance with the provisions of § 1.54 of the Commission's rules, an original and 14 copies of all statements, briefs, or comments shall be furnished the Commission.

Adopted: February 5, 1960.

Released: February 8, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 60-1342; Filed, Feb. 10, 1960;  
8:48 a.m.]

[ 47 CFR Part 3 ]

[Docket No. 13390; FCC 60-112]

### QUIZ PROGRAMS OR OTHER CONTESTS OF INTELLECTUAL SKILL OR KNOWLEDGE

#### Notice of Proposed Rule Making

In the matter of amendment of Part 3 of the Commission's rules to add requirements for announcing that quiz programs or other contests of intellectual skill or knowledge have been prearranged.

1. Notice is hereby given of proposed rule making in the above-entitled matter.

2. It has become apparent that the results of many "quiz" programs which have been presented over broadcast stations have been prearranged despite the fact that they have been presented as spontaneous and genuine contests of knowledge. The presentation of such programs has deceived the listening audience and is therefore contrary to the public interest. Accordingly, the Commission believes it should adopt rules designed to preclude such deception in the future.

3. Set forth below is a suggested rule for television stations, but it is pointed out that it is proposed to adopt similar rules for all broadcast services.

4. Any interested party who is of the view that the proposed amendment should not be adopted, or should not be adopted in the form set forth herein, may file with the Commission on or before March 1, 1960, a written statement or brief setting forth his comments. Comments in support of the proposed amendment may also be filed on or before the same date. Comments or briefs in reply to the original comments may be filed within 10 days from the last day for filing said original comments.

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

6. In accordance with the provisions of § 1.54 of the Commission's Rules, an original and 14 copies of all statements, briefs, or comments shall be furnished the Commission.

Adopted: February 5, 1960.

Released: February 8, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

§ 3.— Quiz programs and other contests of intellectual skill or knowledge; announcement.

(a) No television broadcast station shall broadcast any program in which the appearance of a bona fide game, contest, or competition of intellectual skill or knowledge is of significance if the licensee knows, or in the exercise of reasonable diligence should know, that the outcome of such event has been in fact prearranged, or participants or contestants have been provided with information, instructions or any other communication for the purpose of influencing the

outcome, by any person acting in behalf of the licensee or in behalf of any producer, sponsor or advertising agency associated with the program, unless the prearrangement is disclosed by an appropriate announcement.

(b) The announcement provided for in paragraph (a) of this section shall clearly and fully describe the nature of the prearrangement, or assistance ren-

dered to the contestant or contestants, in such manner that the audience will be apprised that the program is not in fact a spontaneous or genuine contest of intellectual skill or knowledge. Such announcement shall be made at the beginning and the end of such program.

(c) No license shall be granted to a television broadcast station having any contract, arrangement or understanding,

express or implied, with a network organization unless the station has received satisfactory assurance from the network organization that any program of the type described in paragraph (a) of this section will be accompanied by announcements in compliance with paragraphs (a) and (b) of this section.

[F.R. Doc. 60-1343; Filed, Feb. 10, 1960; 8:48 a.m.]

**NOTICES**

**GENERAL SERVICES ADMINISTRATION**

**Defense Materials Service**

**REPORT OF PURCHASES UNDER PURCHASE REGULATIONS**

DECEMBER 31, 1959.

Regulation	Termination date	Unit	Program limitation (quantity)	Purchases during quarter <sup>1</sup>		Cumulative purchases through end of quarter <sup>1</sup>	
				Quantity	Amount	Quantity	Amount
<i>Public Law 806, 83d Cong.</i>							
Asbestos.....	Oct. 1, 1957	Short tons, crude No. 1 and/or erude No. 2 asbestos.	1,500	0	0	1,409	\$1,762,505
		Short tons, crude No. 3.....		0	0	850	340,070
Beryl.....	June 30, 1962	Short dry tons, beryl ore.....	4,500	89	\$47,820	2,487	1,379,592
Columbium tantalum.....	Dec. 31, 1958	Pounds, contained combined pentoxide.....	15,000,000	0	0	15,567,912	60,637,262
<i>Manganese:</i>							
Butte-Phillipsburg.....	June 30, 1958	Long ton units, recoverable manganese.....	6,000,000	0	0	6,020,471	9,074,860
Deming.....	do.	do.....	6,000,000	0	0	6,215,258	12,036,388
Wenden.....	do.	do.....	6,000,000	0	0	6,108,316	10,743,170
Domestic small producers.....	Jan. 1, 1961	Long ton units, contained manganese.....	28,000,000	30,574	70,342	28,069,901	71,399,620
Mica.....	June 30, 1962	Short tons, hand-cobbed mica or equivalent.....	25,000	754	709,665	19,479	19,581,009
Tungsten.....	July 1, 1958	Short ton units, tungsten trioxide.....	3,000,000	0	0	2,996,280	189,212,736
<i>Public Law 580, 79th Cong.</i>							
Chrome.....	June 30, 1959	Long dry tons, chrome ore and/or chrome concentrates.	200,000	0	0	199,961	18,588,036
<i>Defense Production Act</i>							
<i>Mercury:</i>							
Domestic.....	Dec. 31, 1957	Flasks, prime virgin mercury.....	125,000	0	0	9,428	2,121,300
Do.....	Dec. 31, 1958	do.....	30,000	0	0	17,463	3,938,879
Mexican.....	Dec. 31, 1957	do.....	75,000	0	0	766	172,317
Do.....	Dec. 31, 1958	do.....	20,000	0	0	2,508	570,797

<sup>1</sup> Quantities represent deliveries.

Dated: February 4, 1960.

FRANKLIN FLOETE,  
Administrator.

[F.R. Doc. 60-1327; Filed, Feb. 10, 1960; 8:46 a.m.]

**FEDERAL POWER COMMISSION**

[RI60-9]

L. R. FRENCH, JR. ET AL.

**Order Providing for Hearing on and Suspension of Proposed Change in Rate**

JANUARY 27, 1960.

On December 14, 1959, L. R. French, Jr. (Operator) et al. (Respondent) filed a proposed change to its FPC Gas Rate Schedule No. 2 for sale of natural gas subject to the jurisdiction of the Commission. By order issued January 13, 1960 in this docket, the proposed change, Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 2, was suspended until June 14, 1960, and thereafter until made effective in the manner prescribed by the Natural Gas Act.

On December 28, 1959, Respondent tendered a supplemental filing proposing to add the interests of R. I. Hamilton, R. L. Walker and W. S. Nelson to the above-designated, recently filed notice of change in rate. The proposed change is designated as follows:

Notice of change dated: December 24, 1959.  
Purchaser: El Paso Natural Gas Company.  
Producing area: Spraberry Trend Fld., Reagan and Upton Cos., Texas.

Rate schedule designation: Supplement No. 1 to Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 2.

Effective date: January 28, 1960 (effective date is the first day after expiration of the required thirty-days notice).

Proposed rate: 17.2295 cents per Mcf (pressure base is 14.65 psia).

Since the proposed change in rate covering the other interests in Respondent's FPC Gas Rate Schedule No. 2 was suspended until June 14, 1960, and since

Supplement No. 1 to Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 1 covering the interests of R. I. Hamilton, R. L. Walker and W. S. Nelson may be unjust, unreasonable, unduly discriminatory, or preferential or otherwise unlawful, said Supplement No. 1 to Supplement No. 5 should be suspended until June 14, 1960, and thereafter until it is made effective in the manner prescribed by the Natural Gas Act.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed change and that Supplement No. 1 to Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 2 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 1 to Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 2.

(B) Pending hearing and decision thereon, Supplement No. 1 to Supplement No. 5 to Respondent's FPC Gas Rate Schedule No. 2 is hereby suspended and the use thereof deferred until June 14, 1960, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

JOSEPH H. GUTRIDE,  
Secretary.

[F.R. Doc. 60-1321; Filed, Feb. 10, 1960;  
8:46 a.m.]

[Docket No. G-13628, etc.]

### SKELLY OIL CO. ET AL.

#### Notice of Applications and Date of Hearing

JANUARY 27, 1960.

In the matters of Skelly Oil Company,<sup>1</sup> Docket No. G-13628; D. A. Biglane, et al.,<sup>2</sup> Docket No. G-13629; Milton F. Shaffer, et al.,<sup>3</sup> Docket No. G-13696; Sinclair Oil & Gas Company, Docket No. G-13701; Shell Oil Company,<sup>4</sup> Docket No. G-13703; Shell Oil Company, Docket No. G-13704; Nathan Appleman, d/b/a N. Appleman Company (Operator), et al.,<sup>5</sup> Docket No. G-13725; Nathan Appleman, d/b/a N. Appleman Company (Operator), et al.,<sup>6</sup> Docket No. G-13726; Nathan Appleman, d/b/a N. Appleman Company (Operator), et al.,<sup>7</sup> Docket No. G-13727; Charles Roberts Oil & Gas Company No. 1,<sup>8</sup> Docket No. G-13783.

Take notice that each of the above Applicants has filed an application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing each to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the respective applications and amendments and supplements thereto, which are on file with the Commission and open to public inspection.

See footnotes at end of document.

The respective Applicants produce and propose to sell natural gas for transportation in interstate commerce for resale as indicated below:

*Docket No.; Field and Location; and Purchaser*

G-13628; Cherokee Lake Area, Rusk County, Texas; Texas Eastern Transmission Corp.

G-13629; Maxie-Pistol Ridge Field, Pearl River County, Mississippi; United Gas Pipe Line Company.

G-13696; West Panhandle Field, Hutchinson County, Texas; Producing Properties, Inc.

G-13701; Mocane Field, Beaver County, Oklahoma; Colorado Interstate Gas Company.

G-13703; Southwest Camp Creek Field, Beaver County, Oklahoma; Colorado Interstate Gas Company.

G-13704; Southwest Camp Creek Field, Beaver County, Oklahoma; Northern Natural Gas Company.

G-13725; Hugoton Field, Finney County, Kansas; Northern Natural Gas Company.

G-13726; Hugoton Field, Finney County, Kansas; Northern Natural Gas Company.

G-13727; Hugoton Field, Finney County, Kansas; Northern Natural Gas Company.

G-13783; Lee District, Calhoun County, Texas; Hope Natural Gas Company.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 1, 1960 at 9:30 a.m., e.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may, after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30(c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 18, 1960. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

JOSEPH H. GUTRIDE,  
Secretary.

<sup>1</sup> Application covers a ratification agreement dated March 21, 1957, of a basic gas sales contract dated June 6, 1955, between Texas Eastern Production Corporation, Seller, and Texas Eastern Transmission Corporation, Buyer. Both Applicant and Buyer are signatory parties to the subject ratification agreement.

<sup>2</sup> D. A. Biglane, Nelson E. Gibson, Mrs. H. K. Poyner, John W. Whelan, Mrs. Marie S. Howard, and S. B. Laub, are filing jointly

and are all signatory seller parties to the subject gas sales contract.

<sup>3</sup> Milton F. Shaffer, Rex E. Greer and Adams & McGahey are filing jointly and are all signatory seller parties to the subject gas sales contract.

<sup>4</sup> Application covers a ratification agreement dated October 23, 1957, of a basic gas sales contract dated February 13, 1957, between Cities Service Oil Company, Seller, and Colorado Interstate Gas Company, Buyer. Both Applicant and Colorado Interstate are signatory parties to the subject ratification agreement. Applicant acquired the subject acreage from Cities Service through assignment. Amendment filed November 29, 1957, states depth limitation inadvertently omitted from the original application.

<sup>5</sup> In Docket Nos. G-13725, G-13726 and G-13727, Nathan Appleman, d/b/a N. Appleman Co., Operator, is filing for himself and on behalf of Aurora Gasoline Company, non-operator. In addition, Operator lists Colorado Oil & Gas Corp., as owner of 25 percent working interest in the Gobleman Unit (Docket No. G-13727), and also, in each of the subject units, The Shallow Water Refining Company retains a 25 percent reversionary interest in the working interests of Operator and Aurora to become effective when an aggregate sum of \$27,500 has been received from unit production from each unit. The subject gas will be sold pursuant to one gas sales contract dated October 14, 1957, with Northern to which contract Operator and Aurora are the only signatory seller parties.

<sup>6</sup> Charles Roberts Oil & Gas Co. #1, Applicant, is a partnership consisting of Francis E. Cain, H. M. Arnett, Thomas L. Jameson, Jr., D. C. Shonk, David M. Giltman, W. T. Brotherton, T. L. Dotson, R. W. Bond, A. C. Weaver, James K. Thomas, E. M. Watkins, C. F. Fox, Mr. and Mrs. C. B. Talley, C. E. Roberts, C. W. Beecher and B. E. Easton. All are signatory seller parties to the gas sales contract dated October 29, 1957, through the signature of Francis E. Cain who has signed the contract individually and as Attorney-in-Fact for the remaining partners.

[F.R. Doc. 60-1322; Filed, Feb. 10, 1960;  
8:46 a.m.]

[Docket Nos. RI60-73—RI60-91]

### CLAUD E. AIKMAN ET AL.

#### Order Providing for Hearing on and Suspension of Proposed Changes in Rates<sup>1</sup>

JANUARY 28, 1960.

In the matters of Claud E. Aikman, Docket No. RI60-73; Joseph S. Gruss, Docket No. RI60-74; Hanley Company, Docket No. RI60-75; Hanley Company (Operator), et al., Docket No. RI60-76; Hanley Company, et al., Docket No. RI60-77; Nemaha Oil Company, Docket No. RI60-78; Nemaha Oil Company (Agent), et al., Docket No. RI60-79; Monterey Oil Company (Operator), et al., Docket No. RI60-80; Schermerhorn Oil Corporation, et al., Docket No. RI60-81; Herman Brown, Docket No. RI60-82; Fred Turner, Jr., Docket No. RI60-83; H. L. Hunt, Docket No. RI60-84; Gordon P. Street, Docket No. RI60-85; Gordon P. Street,

<sup>1</sup> This order does not provide for the consolidation for hearing or disposition of the separately docketed matters covered herein, nor should it be so construed.

Inc., Docket No. RI60-86; Robert N. Enfield, Docket No. RI60-87; M. W. J. Producing Company (Operator), et al., Docket No. RI60-88; Martin, Williams, & Judson (Operator), et al., Docket No.

RI60-89; The Ard Drilling Company, Docket No. RI60-90; Woodley Petroleum Company, Docket No. RI60-91.

The above-named Respondents have tendered for filing proposed changes in

presently effective rate schedules for sales of natural gas to El Paso Natural Gas Company subject to the jurisdiction of the Commission. The proposed changes are designated as follows:

Docket No.	Respondent	Rate Schedule No.	Supplement No.	Producing area	Notice of change dated—	Date tendered	Effective date unless suspended <sup>1</sup>	Rate suspended until—	Cents per Mcf <sup>2</sup>		Rate in effect subject to refund in Docket Nos.
									Rate in effect	Proposed rate	
RI60-73	Claud E. Aikman	3	3	Eumont Field, Lea County, N. Mex.	12-28-59	12-30-59	* 1-30-60	6-30-60	10.5	15.559809	G-14415
RI60-73	do	1	4	Noelke Field, Crockett County, Tex.	12-28-59	12-30-59	* 1-30-60	6-30-60	16.0	14.69575	G-18466
RI60-73	do	5	1	do	12-28-59	12-30-59	* 1-30-60	6-30-60	9.5	14.69575	
RI60-74	Joseph S. Gruss	1	11	Spraberry Field, Glasscock, Reagan and Midland Counties, Tex.	12-28-59	12-30-59	* 1-30-60	6-30-60	11.1056	17.2295	
RI60-74	do	2	11	Spraberry Field, Midland and Reagan Counties, Tex.	12-28-59	12-30-59	* 1-30-60	6-30-60	11.1056	17.2295	
RI60-74	do	3	10	Spraberry Field, Reagan County, Tex.	12-28-59	12-30-59	* 1-30-60	6-30-60	11.1056	17.2295	
RI60-74	do	4	6	Spraberry Field, Reagan and Glasscock Counties, Tex.	12-28-59	12-30-59	* 1-30-60	6-30-60	11.1056	17.2295	
RI60-75	Hanley Co.	11	6	Spraberry Field Area, Midland and Glasscock Counties, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.1056	17.1632	G-14004
RI60-75	do	17	6	Spraberry Field, Midland, Reagan, Glasscock and Upton Counties, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.1056	17.1632	G-14182
RI60-75	do	18	4	Spraberry Field, Glasscock County, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.1056	17.1632	G-13851
RI60-75	do	20	4	Spraberry Field, Midland and Reagan Counties, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.1056	17.1632	G-14058
RI60-76	Hanley Co. (Operator) et al.	12	6	Spraberry Field, Reagan and Glasscock Counties, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.0000	17.0000	G-14065
RI60-76	do	21	11	Spraberry Field, Midland and Upton Counties, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.1056	17.1632	
RI60-76	do	29	1	South Andrews County Area, Andrews County, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	8.0	13.5	
RI60-77	Hanley Co. et al.	19	6	Spraberry Field, Reagan and Glasscock Counties, Tex.	12-30-59	1-4-60	2-4-60	7-4-60	11.1056	17.1632	G-13850
RI60-78	Nemaha Oil Co.	1	2	North Helner Field, Pecos County, Tex.	12-22-59	12-30-59	* 1-30-60	6-30-60	10.5	15.709	G-14195
RI60-79	Nemaha Oil Co. (Agent) et al.	1	2	do	12-22-59	12-30-59	* 1-30-60	6-30-60	10.5	15.709	G-14196
RI60-80	Montrey Oil Co. (Operator) et al.	12	4	Wilshire Field, Upton County, Tex.	12-29-59	12-31-59	1-31-60	6-30-60	10.3072	13.6822	G-18568
RI60-81	Schermerhorn Oil Corp. et al.	4	2	Eumont Field, Lea County, N. Mex.	Undated	1-4-60	2-4-60	7-4-60	10.5	15.5599	
RI60-82	Herman Brown	7	5	Headlee Field, Ector County, Tex.	do	1-4-60	2-4-60	7-4-60	10.048	17.2295	
RI60-83	Fred Turner, Jr.	1	2	Noelke Field, Crockett County, Tex.	do	1-4-60	2-4-60	7-4-60	9.5	14.69575	
RI60-84	H. L. Hunt	27	5	Amacker-Tippott Field, Upton County, Tex.	do	1-4-60	2-4-60	7-4-60	10.5	15.5	
RI60-84	do	28	5	do	do	1-4-60	2-4-60	7-4-60	8.108	13.68225	
RI60-85	Gordon P. Street	2	5	Spraberry Trend Field, Reagan County, Tex.	do	1-4-60	2-4-60	7-4-60	11.1056	17.1632	
RI60-85	do	3	2	do	do	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-86	Gordon P. Street, Inc.	2	9	Spraberry Trend Field, Midland County, Tex.	do	1-4-60	2-4-60	7-4-60	11.1056	17.1632	
RI60-87	Robert N. Enfield	1	1	Eumont Field, Lea County, N. Mex.	1-4-60	1-6-60	2-6-60	7-6-60	10.5	15.5599	
RI60-88	M. W. J. Producing Co. (Operator), et al.	1	4	Spraberry Trend Area, Reagan County, Tex.	undated	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-88	do	2	1	do	do	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-88	do	3	2	Spraberry Trend Field, Midland County, Tex.	do	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-88	do	4	1	Spraberry Trend Field, Reagan County, Tex.	do	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-88	do	5	2	do	do	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-89	Martin, Williams, and Judson (Operator), et al.	1	2	do	do	1-4-60	2-4-60	7-4-60	11.0	17.0	
RI60-90	The Ard Drilling Co.	1	1	Wright Lease, Levelland Field, Cochran County, Tex.	12-22-59	1-4-60	2-4-60	7-4-60	10.64175	15.70925	
RI60-91	Woodley Petroleum Co.	8	4	South Andrews Field, Andrews County, Tex.	12-22-59	1-4-60	2-4-60	7-4-60	10.1699	13.68225	G-16800
RI60-91	do	9	1	Levelland Field, Cochran County, Tex.	12-22-59	1-4-60	2-4-60	7-4-60	10.64175	15.70925	

<sup>1</sup> The stated effective dates are those requested by Respondents or the first day after expiration of the required 30 days' notice, whichever is later.  
<sup>2</sup> Pressure Base is 14.65 psia.

<sup>3</sup> Respondent requested waiver of 30-day notice period.  
<sup>4</sup> Subject to 0.4467 cents per Mcf reduction by buyer for low pressure gas.  
<sup>5</sup> Renegotiated decrease.

In support of the proposed renegotiated rates, Respondents cite benefits in eliminating the favored-nation provisions and extending the contract term for twenty years. Respondents further cite a need for increased revenues to meet increasing production, drilling and exploration costs and to furnish incentive for further exploration and drilling. Respondents also state that the rates are in line with current natural gas prices in the area.

The rates and charges so proposed may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings

concerning the lawfulness of the several proposed changes and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the several proposed rates and charges contained in the above-designated supplements.

(B) Pending hearings and decisions thereon, each of the above-designated supplements are hereby suspended and the use thereof deferred until the date indicated in the above "Rate Suspended

Until" column, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(D) Interested State commissions may participate as provided by §§ 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

JOSEPH H. GUTRIDE,  
 Secretary.

[Docket No. RI60-102]

**HUGOTON PLAINS GAS & OIL CO.****Order Providing for Hearing on and Suspension of Proposed Change in Rate**

FEBRUARY 4, 1960.

On January 4, 1960, Hugoton Plains Gas & Oil Company (Hugoton) tendered for filing a proposed change in its presently effective rate schedule for the sale of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Notice of change dated: January 1, 1960.

Purchaser: Northern Natural Gas Company.

Producing area: Hugoton Field, Texas County, Oklahoma and Stevens County, Kansas.

Rate schedule designation: Supplement No. 12 to Hugoton's FPC Gas Rate Schedule No. 1.

Effective date: February 7, 1960 (by letter dated and filed February 3, 1960, Hugoton amended its Notice of Change so as to make the effective date thereof no later than February 7, 1960, whereas the original Notice of Change was to be effective as of February 4, 1960).

Proposed rate: 20.1626 cents per Mcf at 14.65 psia.

In support of the proposed arbitrated increased rate, Hugoton, on January 6 and 21, 1960, submitted cost of service data for the year 1958. However, several of the items contained therein appear to be questionable, e.g., the rate base, the allocation methods, the rate of return, and the associated taxes, among others.

The increased rate and charge so proposed may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the said proposed change and that Supplement No. 12 to Hugoton's FPC Gas Rate Schedule No. 1 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 12 to Hugoton's FPC Gas Rate Schedule No. 1.

(B) Pending such hearing and decision thereon, said supplement be and it is hereby suspended and the use thereof deferred until April 7, 1960, and until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended nor the rate schedule sought to be altered thereby shall be changed until this proceeding has been disposed

of or until the period of suspension has expired, unless otherwise ordered by the Commission.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.37(f)) on or before March 22, 1960.

By the Commission.

JOSEPH H. GUTRIDE,  
*Secretary.*[F.R. Doc. 60-1324; Filed, Feb. 10, 1960;  
8:46 a.m.]**DEPARTMENT OF THE TREASURY****Office of the Secretary**

[Dept. Circ. 570, 1959 Revision, Supp. 12]

**CONSOLIDATED MUTUAL INSURANCE CO.****Acceptable Reinsuring Company on Federal Bonds**

FEBRUARY 5, 1960.

A Certificate of Authority has been issued by the Secretary of the Treasury to the following company as a reinsuring company only on Federal bonds under Treasury Department Circular No. 297, July 15, 1922, as amended, 31 CFR Part 223. An underwriting limitation of \$470,000.00 has been established for the company.

*State in Which Incorporated, Name of Company, and Location of Principal Executive Office,*

New York; Consolidated Mutual Insurance Company; Brooklyn, New York.

[SEAL] JULIAN B. BAIRD,  
*Acting Secretary of the Treasury.*[F.R. Doc. 60-1339; Filed, Feb. 10, 1960;  
8:48 a.m.]**DEPARTMENT OF THE INTERIOR****Office of the Secretary****ALASKA RAILROAD RATE INCREASE****Notice of Hearing**

FEBRUARY 4, 1960.

Notice is hereby given of a public hearing to be held at The Alaska Railroad headquarters building, Conference Room No. 315, in Anchorage, Alaska, at 10:00 a.m., February 24, 1960; and at the University of Alaska in Fairbanks, Alaska, at 10:00 a.m., on February 25, 1960. Such hearing will be held before Mr. Michael Corcoran, designated as examiner by the Secretary of the Interior, for the purpose of receiving evidence on the proposed Alaska Railroad rate increase published in Supplement No. 11 to ARR 5-N, issued December 24, 1959, and suspended by Supplement No. 13 to ARR 5-N on January 25, 1960, pending this hearing and action by the Secretary.

Alaska Railroad Tariff 5-N, referred to above, is a through tariff in which joint rates are published in conjunction with ocean carriers. The question of that portion of the ARR 5-N Tariff accruing

to the ocean carriers is presently before the Federal Maritime Board, and is not at issue in this hearing.

The rate increase in question would have the effect generally of adding, to the Seward terminal increment in said tariff, five cents per hundred pounds on carload traffic moving over the dock at Seward, Alaska for line-haul by The Alaska Railroad beyond, and ten cents per hundred pounds on less-than-carload traffic of the same type.

All testimony will be subject to oath or affirmation and representatives of the parties at this hearing will have the right to cross-examine witnesses. After the presentation of evidence parties may submit argument concerning the issues to the designated examiner.

The function of the designated examiner, Mr. Michael Corcoran, will be to preside at the hearing, rule on the evidence, and recommend to the Secretary of the Interior as to whether or not the rate increases herein referred to are justified and should be permitted to go into effect. He shall prepare his recommendations to the Secretary accompanied by the reasons therefor, and copies will be made available to all parties.

Insofar as is practicable, the designated examiner shall entertain evidence and base his recommendations thereon in accordance with such standards as would be applicable if The Alaska Railroad were subject to Part I of the Interstate Commerce Act.

ROGER ERNST,  
*Assistant Secretary of the Interior.*[F.R. Doc. 60-1328; Filed, Feb. 10, 1960;  
8:46 a.m.]**CIVIL AERONAUTICS BOARD**

[Docket 8427]

**MIAMI AIRLINE, INC., ET AL.****Notice of Hearing**

In the matter of Miami Airline, Inc., R. W. Duff and Effie Virginia Duff, enforcement proceeding.

Notice is hereby given that a hearing in the above-entitled proceeding will reconvene on March 10, 1960, at 10:00 a.m., e.s.t., in Room 1028, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Richard A. Walsh.

Dated at Washington, D.C., February 8, 1960.

[SEAL] FRANCIS W. BROWN,  
*Chief Examiner.*[F.R. Doc. 60-1348; Filed, Feb. 10, 1960;  
8:49 a.m.]

[Docket 9891]

**CINCINNATI-DETROIT SUSPENSION INVESTIGATION****Notice of Oral Argument**

Notice is hereby given, pursuant to the Federal Aviation Act of 1958, that oral argument in the above-entitled investi-

gation is assigned to be held on March 2, 1960, at 10:00 a.m., e.s.t., in Room 1027, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the Board.

Dated at Washington, D.C., February 8, 1960.

[SEAL] FRANCIS W. BROWN,  
Chief Examiner.

[F.R. Doc. 60-1349; Filed, Feb. 10, 1960;  
8:49 a.m.]

## ATOMIC ENERGY COMMISSION

[Docket No. 50-156]

### REGENTS OF UNIVERSITY OF WISCONSIN

#### Notice of Application for Construction Permit and Utilization Facility License

Please take notice that the Regents of the University of Wisconsin, under section 104c of the Atomic Energy Act of 1954, as amended, have submitted an application for a license authorizing construction and operation of a 10 kilowatt (thermal) pool-type nuclear reactor on the University's campus in Madison, Wisconsin. The reactor will be designed, constructed, and installed for the University by General Electric Company. A copy of the application is available for public inspection in the AEC's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Germantown, Md., this 4th day of February 1960.

For the Atomic Energy Commission.

R. L. KIRK,  
Deputy Director, Division of  
Licensing and Regulation.

[F.R. Doc. 60-1311; Filed, Feb. 10, 1960;  
8:45 a.m.]

[Docket No. 70-377]

### POWER REACTOR DEVELOPMENT CO.

#### Notice of Application for Special Nuclear and Source Materials License

Please take notice that Power Reactor Development Company, 1911 First Street, Detroit, Michigan, under sections 53 and 63 of the Atomic Energy Act of 1954, as amended, has submitted an application for a special nuclear and source materials license to receive and store completely manufactured core and blanket subassemblies, at the site of the proposed Enrico Fermi Atomic Power Plant, located at Lagoona Beach, Monroe County, Michigan. A copy of the application is available for public inspection in the AEC Public Document Room, located at 1717 H Street NW., Washington, D.C.

No. 29—5

Dated at Germantown, Md., this 4th day of February 1960.

For the Atomic Energy Commission.

H. L. PRICE,  
Director, Division of  
Licensing and Regulation.

[F.R. Doc. 60-1312; Filed, Feb. 10, 1960;  
8:45 a.m.]

## FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 12813; FCC 60M-250]

### SOUTHBAY BROADCASTERS

#### Order Continuing Hearing

In re application of Burr Stalnaker, John B. Stodelle and Melva G. Chernoff, d/b as Southbay Broadcasters, Chula Vista, California, Docket No. 12813, File No. BP-11469; for construction permit for a new standard broadcast station.

The Hearing Examiner having under consideration the above-entitled proceeding in which hearing is presently scheduled to commence on February 8, 1960;

It appearing that on February 5, 1960, Southbay Broadcasters filed with the Commission a motion requesting dismissal of its application;

It is ordered, This 5th day of February 1960, on the Hearing Examiner's own motion, that the hearing herein is continued without date.

Released: February 8, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 60-1344; Filed, Feb. 10, 1960;  
8:48 a.m.]

[Docket Nos. 13301, 13302; FCC 60M-244]

### SAM H. BENNION AND JAMES C. WALLENTINE

#### Order Continuing Hearing

In re applications of Sam H. Bennion, Pocatello, Idaho, Docket No. 13301, File No. BPCT-2598; James C. Wallentine, Pocatello, Idaho, Docket No. 13302, File No. BPCT-2624; for construction permits for new television broadcast stations (Channel 10).

The Hearing Examiner having under consideration a change in the date for commencement of hearing;

It appearing that the date currently set for commencement of hearing is February 17, 1960, but that a new schedule was agreed upon at the prehearing conference held on February 2 when it was agreed that the hearing should begin on April 11, 1960;

It is ordered, This 4th day of February 1960, that the date for commencement

of hearing is continued from February 17 to April 11, 1960.

Released: February 5, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 60-1345; Filed, Feb. 10, 1960;  
8:48 a.m.]

[Docket Nos. 13289, 13290; FCC 60M-243]

### WALMAC CO.

#### Order Continuing Hearing Conference

In re applications of Howard W. Davis, tr/as The Walmac Company, San Antonio, Texas, Docket No. 13289, File No. BR-411; Docket No. 13290, File No. BRH-691; for renewal of licenses of stations KMAC (AM) and KISS (FM).

The Hearing Examiner having under consideration the joint verbal request of counsel for the parties to the proceeding for a continuance of the prehearing conference heretofore scheduled for February 9, 1960; and

It appearing that counsel for the parties have consented to immediate consideration and grant of the said request and that good cause for a grant thereof is shown in that the parties, because of other commitments, require additional time for negotiations looking toward certain agreements and stipulations to be presented for consideration at the said prehearing conference;

It is ordered, This 4th day of February 1960, that the subject request is granted, and that the prehearing conference heretofore scheduled for February 9, 1960, is continued to 10:00 a.m., Wednesday, February 24, 1960, at the offices of the Commission, Washington, D.C.

Released: February 5, 1960.

FEDERAL COMMUNICATIONS  
COMMISSION,  
[SEAL] MARY JANE MORRIS,  
Secretary.

[F.R. Doc. 60-1346; Filed, Feb. 10, 1960;  
8:48 a.m.]

[Docket No. 13383]

### RAYMOND D. BALCH

#### Order Assigning Matter for Public Hearing

In the matter of Raymond D. Balch, Seattle, Washington, Docket No. 13383; suspension of amateur radio operator license (W8ZVL).

The Commission having under consideration the request of Raymond D. Balch (whose current mailing address appears to be c/o Philco Alaska C & E Depot, P.O. Box 481; Hq. Alaskan Air Command, APO 942, Seattle, Washington) for a hearing in the above-entitled matter;

It appearing that the said Raymond D. Balch, acting in accordance with the

provisions of section 303(m)(2) of the Communications Act of 1934, as amended, filed with the Commission within the time specified therefor, an application requesting a hearing on the Commission's Order of December 30, 1959, which suspended his Extra Class Amateur Radio Operator License for a period of three months;

It further appearing that under the provisions of section 303(m)(2) of the Communications Act of 1934, as amended, the said licensee is entitled to a hearing in the matter and that, upon his filing of a timely written application therefor, the Commission's Suspension Order is held in abeyance until the conclusion of proceedings in the hearing;

*It is ordered*, This 4th day of February 1960, under authority contained in section 303(m)(2) of the Communications Act of 1934, as amended, and section 0.292(f) of the Commission's Statement of Delegations of Authority that the matter of the suspension of the Extra Class Amateur Radio Operator License of Raymond D. Balch be designated for hearing before a Commissioner Examiner (at a time and place later to be specified) upon the following issues:

1. To determine whether the licensee committed the violations of the Commission's Rules as set forth in the Commission's Order of Suspension;

2. If the licensee committed such violations, to determine whether the facts or circumstances in connection therewith would warrant any change in the Commission's Order of Suspension.

*It is further ordered*, That a copy of this Order be transmitted by Certified Mail, Return Receipt Requested to Mr. Raymond D. Balch, c/o Philaco Alaska C & E Depot, P.O. Box 481, Hq. Alaskan Air Command, APO 942, Seattle, Washington, and a copy to Mr. Raymond D. Balch, 12789 August Avenue, Detroit, Michigan.

Released: February 5, 1960.

FEDERAL COMMUNICATIONS

COMMISSION,

[SEAL] MARY JANE MORRIS,

Secretary.

[F.R. Doc. 60-1347; Filed, Feb. 10, 1960;  
8:48 a.m.]

## SECURITIES AND EXCHANGE COMMISSION

[File No. 24SF-2507]

L & L SCRAP IRON CORP.

**Order Temporarily Suspending Exemption, Statement of Reasons Therefor, and Notice of Opportunity for Hearing**

FEBRUARY 5, 1960.

I. L & L Scrap Iron Corporation (issuer), a Nevada corporation, filed with the Commission on June 13, 1958, a notification and an offering circular, and subsequently filed amendments thereto relating to an offering of 300,000 shares of common stock at \$1 per share for the purpose of obtaining an exemption from

the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3(b) thereof and Regulation A promulgated thereunder.

II. The Commission has reasonable cause to believe that the terms and conditions of Regulation A have not been complied with in that the issuer has failed to file a revised offering circular as required by Rule 256(e) of Regulation A despite requests of the Commission's staff for such filing.

III. *It is ordered*, Pursuant to Rule 261(a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for hearing within thirty days after the entry of this order; that within twenty days after receipt of such request the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission, for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; that if no hearing is requested and none is ordered by the Commission, this order shall become permanent on the thirtieth day after its entry and shall remain in effect unless or until it is modified or vacated by the Commission; and that notice of the time and place for any hearing will promptly be given by the Commission.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F.R. Doc. 60-1329; Filed, Feb. 10, 1960;  
8:46 a.m.]

[File No. 1-3865]

### SKIATRON ELECTRONICS AND TELEVISION CORP.

**Order Summarily Suspending Trading**

FEBRUARY 5, 1960.

In the matter of trading on the American Stock Exchange in the common stock, par value 10 cents per share, of Skiatron Electronics and Television Corporation, File No. 1-3865.

The common stock, par value 10 cents per share of Skiatron Electronics and Television Corporation, being listed and registered on the American Stock Exchange, a national securities exchange; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on such Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion further that such suspension is necessary in order to prevent fraudulent, deceptive or manipulative acts or practices, with the result that it will be unlawful

under section 15(c)(2) of the Securities Exchange Act of 1934 and the Commission's Rule 15c2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of such security, otherwise than on a national securities exchange;

*It is ordered*, Pursuant to section 19(a)(4) of the Securities Exchange Act of 1934 that trading in said security on the American Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive or manipulative acts or practices, this order to be effective for a period of ten (10) days, February 6 to February 15, 1960, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F.R. Doc. 60-1330; Filed, Feb. 10, 1960;  
8:46 a.m.]

## SMALL BUSINESS ADMINISTRATION

[Delegation of Authority 30-IX-5 (Rev. 3)]

**BRANCH MANAGER, OMAHA,  
NEBRASKA**

**Delegation Relating to Financial Assistance, Procurement and Technical Assistance and Administration Functions**

I. Pursuant to the authority delegated to the regional director by delegation No. 30 (Revision 5) (24 F.R. 7713), there is hereby delegated to the Branch Manager, Omaha Branch Office, Small Business Administration, the authority:

A. *Specific—Financial assistance.* 1. To approve and decline direct and participation business and disaster loans.  
2. To disburse approved loans.  
3. To enter into Business Loan and Disaster Loan Participation Agreements with banks.  
4. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

(Name), Administrator.

By \_\_\_\_\_

(Name)

Manager, Omaha Branch Office

5. To cancel, reinstate, modify, and amend authorizations for business or disaster loans.

6. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

7. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorizations.

8. To approve service charges by participating bank not to exceed 2 percent per annum on the outstanding balance in connection with construction loans and loans involving accounts receivable and inventory financing.

9. To take all necessary actions in connection with the administration, servicing and collection of all loans and other obligations or assets, including collateral purchased, and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to be done for the purpose of effectuating the granted powers, including without limiting the generality of the foregoing:

(a) The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

(b) The execution and delivery of contracts of sale or of lease or sublease, quit-claim, bargain and sale or special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing, hereby ratifying and confirming all that said branch manager shall do and cause to be done by virtue hereof.

*Investment program.* 10. To take the following actions in the administration of loans authorized under the provisions of section 502 of the Small Business Investment Act of 1958, as amended:

(a) To disburse loans.

(b) To extend the disbursement period on loan authorizations or undisbursed loans.

(c) To cancel wholly or in part undisbursed balances of partially disbursed loans.

(d) To do and to perform all and every act and thing requisite necessary and proper to be done for the purpose of effecting the servicing and administration of loans.

*Procurement and technical assistance.*

11. To develop with Government procurement agencies required local procedures for implementing established inter-agency policy agreements, including but not limited to steps such as determining joint set-asides and representation at procurement and disposal centers.

*Administration.* 12. To administer oaths of office.

13. To approve (a) annual and sick leave; (b) leave without pay, not to exceed 30 days.

14. To (a) make emergency purchases chargeable to the Administrative expense fund, not in excess of \$50 in any one object class in any one instance but not more than \$100 in any one month for total purchases in all object classes; (b) make purchases not in excess of \$10 in any one instance for "one-time use items" not carried in stock subject to the total limitation set forth in (a) of this paragraph; and (c) to contract for

the repair and maintenance of equipment and furnishings in an amount not to exceed \$25 in any one instance.

15. In connection with the establishment of Disaster Loan Offices, to (a) rent necessary office equipment; and (b) procure (without dollar limitation) emergency supplies and materials.

16. To administratively approve all types of vouchers, invoices and bills submitted by public creditors of the Agency for articles or service rendered.

17. To (a) authorize or approve official travel; and (b) administratively approve travel reimbursement claims.

18. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

*B. Correspondence.* To sign all correspondence except communications involving policy matters which shall be referred to the Regional Office for clearance.

II. All authority delegated herein may be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Branch Manager.

IV. All previous authority delegated by the regional director to the Branch Manager, Omaha, Nebraska, is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Effective date: January 21, 1960.

C. I. MOYER,  
Regional Director.

[F.R. Doc. 60-1331; Filed, Feb. 10, 1960;  
8:47 a.m.]

[Delegation of Authority 30-IX-6 (Rev. 3)]

**BRANCH MANAGER, ST. LOUIS,  
MISSOURI**

**Delegation Relating to Financial Assistance, Procurement and Technical Assistance and Administrative Functions**

I. Pursuant to the authority delegated to the regional director by Delegation No. 30 (Revision 5) (24 F.R. 7713), there is hereby delegated to the Branch Manager, St. Louis Branch Office, Small Business Administration, the authority:

*A. Specific—Financial assistance.* 1. To approve and decline direct and participation business and disaster loans.

2. To disburse approved loans.

3. To enter into Business Loan and Disaster Loan Participation Agreements with banks.

4. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

(Name), Administrator

By \_\_\_\_\_

(Name)

Manager, St. Louis Branch Office

5. To cancel, reinstate, modify, and amend authorizations for business or disaster loans.

6. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

7. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorizations.

8. To approve service charges by participating bank not to exceed 2 percent per annum on the outstanding balance in connection with construction loans and loans involving accounts receivable and inventory financing.

9. To take all necessary actions in connection with the administration, servicing and collection of all loans and other obligations or assets, including collateral purchased, and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to be done for the purpose of effectuating the granted powers, including without limiting the generality of the foregoing:

(a) The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

(b) The execution and delivery of contracts of sale or of lease or sublease, quit-claim, bargain and sale or special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing, hereby ratifying and confirming all that said branch manager shall do and cause to be done by virtue hereof.

*Investment program.* 10. To take the following actions in the administration of loans authorized under the provisions of section 502 of the Small Business Investment Act of 1958, as amended:

(a) To disburse loans.

(b) To extend the disbursement period on loan authorizations or undisbursed loans.

(c) To cancel wholly or in part undisbursed balances of partially disbursed loans.

(d) To do and to perform all and every act and thing requisite necessary and proper to be done for the purpose of effecting the servicing and administration of loans.

*Procurement and technical assistance.* 11. To develop with Government procurement agencies required local procedures for implementing inter-agency policy agreements, including but not limited to steps such as determining joint set-asides and representation at procurement and disposal centers.

*Administration.* 12. To administer oaths of office.

13. To approve (a) annual and sick leave; (b) leave without pay, not to exceed 30 days.

14. To (a) make emergency purchases chargeable to the Administrative expense fund, not in excess of \$50 in any one object class in any one instance but not more than \$100 in any one month for total purchases in all object classes; (b) make purchases not in excess of \$10 in any one instance for "one-time use items" not carried in stock subject to the total limitation set forth in (a) of this paragraph; and (c) to contract for the repair and maintenance of equipment and furnishings in an amount not to exceed \$25 in any one instance.

15. In connection with the establishment of Disaster Loan Offices, to (a) rent necessary office equipment; and (b) procure (without dollar limitation) emergency supplies and materials.

16. To administratively approve all types of vouchers, invoices and bills submitted by public creditors of the Agency for articles or service rendered.

17. To (a) authorize or approve official travel; and (b) administratively approve travel reimbursement claims.

18. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

**B. Correspondence.** To sign all correspondence except communications involving policy matters which shall be referred to the Regional Office for clearance.

II. All authority delegated herein may be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Branch Manager.

IV. All previous authority delegated by the regional director to the Branch Manager, St. Louis, Missouri, is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Effective date: January 21, 1960.

C. I. MOYER,  
Regional Director.

[F.R. Doc. 60-1332; Filed, Feb. 10, 1960;  
8:47 a.m.]

[Delegation of Authority 30-IX-7 (Rev. 3)]

### BRANCH MANAGER, WICHITA, KANSAS

#### Delegation Relating to Financial Assistance, Procurement and Technical Assistance and Administrative Functions

1. Pursuant to the authority delegated to the regional director by Delegation No. 30 (Revision 5) (24 F.R. 7713), there is hereby delegated to the Branch Manager, Wichita Branch Office, Small Business Administration, the authority:

**A. Specific—Financial assistance.** 1. To approve and decline direct and participation business and disaster loans.

2. To disburse approved loans.

3. To enter into Business Loan and Disaster Loan Participation Agreements with banks.

4. To execute loan authorizations for Washington approved loans and for loans approved under delegated authority, said execution to read as follows:

(Name), Administrator

By \_\_\_\_\_

(Name)

Manager, Wichita Branch Office

5. To cancel, reinstate, modify and amend authorizations for business or disaster loans.

6. To extend the disbursement period on all loan authorizations or undisbursed portions of loans.

7. To approve, when requested, in advance of disbursement, conformed copies of notes and other closing documents and certify to the participating bank that such documents are in compliance with the participation authorizations.

8. To approve service charges by participating bank not to exceed 2 percent per annum on the outstanding balance in connection with construction loans and loans involving accounts receivable and inventory financing.

9. To take all necessary actions in connection with the administration, servicing and collection of all loans and other obligations or assets, including collateral purchased, and to do and to perform and to assent to the doing and performance of, all and every act and thing requisite and proper to be done for the purpose of effectuating the granted powers, including without limiting the generality of the foregoing:

(a) The assignment, endorsement, transfer and delivery (but in all cases without representation, recourse or warranty) of notes, claims, bonds, debentures, mortgages, deeds of trust, contracts, patents and applications therefor, licenses, certificates of stock and of deposit, and any other liens, powers, rights, charges on and interest in or to property of any kind, legal and equitable, now or hereafter held by the Small Business Administration or its Administrator.

(b) The execution and delivery of contracts of sale or of lease or sublease, quitclaim, bargain and sale or special warranty deeds, bills of sale, leases, subleases, assignments, subordinations, releases (in whole or part) of liens, satisfaction pieces, affidavits, proofs of claim in bankruptcy or other estates and such other instruments in writing as may be appropriate and necessary to effectuate the foregoing, hereby ratifying and confirming all that said branch manager shall do and cause to be done by virtue hereof.

**Investment program.** 10. To take the following actions in the administration of loans authorized under the provisions of section 502 of the Small Business Investment Act of 1958, as amended:

(a) To disburse loans.

(b) To extend the disbursement period on loan authorizations or undisbursed loans.

(c) To cancel wholly or in part undisbursed balances of partially disbursed loans.

(d) To do and to perform all and every act and thing requisite necessary and proper to be done for the purpose of effecting the servicing and administration of loans.

**Procurement and technical assistance.** 11. To develop with Government procurement agencies required local procedures for implementing established inter-agency policy agreements, including but not limited to steps such as determining joint set-asides and representation at procurement and disposal centers. Administration. 12. To administer oaths of office.

13. To approve (a) annual and sick leave; (b) leave without pay, not to exceed 30 days.

14. To (a) make emergency purchases chargeable to the administrative expense fund, not in excess of \$50 in any one object class in any one instance but not more than \$100 in any one month for total purchases in all object classes; (b) make purchases not in excess of \$10 in any one instance for "one-time use items" not carried in stock subject to the total limitation set forth in (a) of this paragraph; and (c) to contract for the repair and maintenance of equipment and furnishings in an amount not to exceed \$25 in any one instance.

15. In connection with the establishment of Disaster Loan Offices, to (a) rent necessary office equipment; and (b) procure (without dollar limitation) emergency supplies and materials.

16. To administratively approve all types of vouchers, invoices and bills submitted by public creditors of the Agency for articles or service rendered.

17. To (a) authorize or approve official travel; and (b) administratively approve travel reimbursement claims.

18. To rent motor vehicles from the General Services Administration and to rent garage space for the storage of such vehicles when not furnished by this Administration.

**B. Correspondence.** To sign all correspondence except communications involving policy matters which shall be referred to the Regional Office for clearance.

II. All authority delegated herein may be redelegated.

III. All authority delegated herein may be exercised by any SBA employee designated as Acting Branch Manager.

IV. All previous authority delegated by the regional director to the Branch Manager, Wichita, Kansas, is hereby rescinded without prejudice to actions taken under all such delegations of authority prior to the date hereof.

Effective date: January 21, 1960.

C. I. MOYER,  
Regional Director.

[F.R. Doc. 60-1333; Filed, Feb. 10, 1960;  
8:47 a.m.]

## INTERSTATE COMMERCE COMMISSION

### FOURTH SECTION APPLICATIONS FOR RELIEF

FEBRUARY 8, 1960.

Protests to the granting of an application must be prepared in accordance

with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

**LONG-AND-SHORT HAUL**

**FSA No. 35999: Substituted service—PRR, et al., for Associated Transport, Inc., et al.** Filed by Middle Atlantic Conference, Agent (No. 20), for interested carriers. Rates on property loaded in highway trailers and transported on railroad flat cars between Kearny, N.J., and Philadelphia, Pa., on the one hand, and Verona, Va., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Middle Atlantic Conference, Agent, tariff I.C.C. 11, MF-I.C.C. A-1067.

**FSA No. 36000: Fruits and vegetables—Florida to the south.** Filed by O. W. South, Jr., Agent (SFA No. A3907), for interested rail carriers. Rates on fruits and vegetables, in carloads, as described in the application, from Florida peninsula points described in the application, to points in southern territory, also Ohio and Mississippi River crossings, points in Virginia and West Virginia, and Washington, D.C.

Grounds for relief—Motor-truck competition.

**FSA No. 36001: Substituted service—T&NO for Ryder Truck Lines.** Filed by J. D. Hughett, Agent (No. 25), for interested carriers. Rates on property loaded in highway trailers and transported on railroad flat cars between New Orleans (Avondale), La., on the one hand, and Beaumont and Houston, Tex., on the other, on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 8 to Southwestern Motor Freight Bureau, Inc., tariff MF-I.C.C. 285.

By the Commission.

[SEAL] HAROLD D. McCoy,  
Secretary.

[F.R. Doc. 60-1335; Filed, Feb. 10, 1960;  
8:47 a.m.]

[Notice 262]

**MOTOR CARRIER TRANSFER  
PROCEEDINGS**

FEBRUARY 8, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 62765. By order of February 4, 1960, the Transfer Board approved the transfer to Lakeview Motor Freight, Inc., Lakeview, Oregon, of the operating rights in Certificate No. MC 114447, issued by the Commission June 24, 1959, to Donald W. Clause and Erma Clause, a Partnership, doing business as Lakeview Motor Freight Company, Lakeview, Oregon, authorizing the transportation, over irregular routes, of cotton cake meal and cotton seed meal, box shooks, livestock, livestock and grain, general commodities, household goods,

building blocks, machinery, building materials, lumber, machinery which because of size or weight requires special equipment, and building materials as described in Appendix VI to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209, from and to specified points in California, Oregon, and Nevada. The Transfer Board also approved the substitution of transferee as applicant in Docket No. MC 114447 Sub 8. Earle V. White, 2130 Southwest Fifth Avenue, Portland 1, Oreg., for applicants.

No. MC-FC 62826. By order of February 3, 1960, the Transfer Board approved the transfer to John F. Harris, doing business as Hogans Transfer & Storage Co., Elkins, W. Va., of Certificate No. MC 3026, issued April 21, 1959, to Joe Graham, Evalena Graham, Executrix, doing business as Graham's Second-hand Store, and acquired by Ison Graham, doing business as Graham's Transfer, Elkins, W. Va., pursuant to MC-FC 62213, authorizing the transportation of: Household goods, between points in Randolph County, W. Va., on the one hand, and, on the other, points in Maryland, Ohio, the District of Columbia, and those in a specified Pennsylvania territory; between points in Randolph County, W. Va., on the one hand, and, on the other, points in Virginia, North Carolina and Delaware, and those in specified Pennsylvania and New York territories; and between points in Tucker, Barbour, Upshur, Pocahontas, and Pendleton Counties, W. Va., within 25 miles of Elkins, W. Va., on the one hand, and, on the other, points in Maryland, Ohio, Pennsylvania, Virginia, West Virginia, North Carolina, Delaware, and the District of Columbia, and a specified New York territory. Bonn Brown, Box 511, Elkins, W. Va., for applicants.

[SEAL] HAROLD D. McCoy,  
Secretary.

[F.R. Doc. 60-1336; Filed, Feb. 10, 1960;  
8:47 a.m.]

CUMULATIVE CODIFICATION GUIDE—FEBRUARY

A numerical list of parts of the Code of Federal Regulations affected by documents published to date during February. Proposed rules, as opposed to final actions, are identified as such.

	Page
<b>3 CFR</b>	
<i>Proclamations:</i>	
1844-----	917
2306-----	917
3332-----	1001
<i>Executive orders:</i>	
5339-----	1166
10758-----	1089
10777-----	1089
10823-----	1089
10859-----	1089
10860-----	1089
<b>5 CFR</b>	
6-----	853, 854, 899, 1001
201-----	1199
208-----	1199
325-----	1153
<i>Proposed rules:</i>	
89-----	875
<b>6 CFR</b>	
332-----	1199
371-----	853
421-----	900, 1092, 1093
477-----	1001
485-----	1072
502-----	900
<b>7 CFR</b>	
301-----	945
319-----	895
719-----	1065
725-----	947
728-----	897
729-----	897
900-----	835
914-----	899, 1070
927-----	947
933-----	1070, 1071
953-----	1071
1002-----	835
1009-----	845
<i>Proposed rules:</i>	
28-----	871
730-----	1077
815-----	987
900-1070-----	1127, 1132
904-----	872
905-----	1161
906-----	977, 1210
911-----	1211
918-----	1212
947-----	977
949-----	977
987-----	1161
990-----	872
996-----	872
999-----	872
1014-----	1161
1019-----	872
<b>10 CFR</b>	
50-----	1072
<i>Proposed rules:</i>	
20-----	990
50-----	1224, 1225
<b>14 CFR</b>	
263-----	900
297-----	901
415-----	901

	Page
<b>14 CFR—Continued</b>	
507-----	854, 902, 1093
600-----	854-861, 1207
601-----	857-862, 1093, 1094, 1207
602-----	862, 863, 1094
<i>Proposed rules:</i>	
507-----	879
600-----	879, 880, 914, 1162-1164
601-----	880, 914, 915, 1162-1164
602-----	1054
608-----	1054, 1136, 1164
<b>15 CFR</b>	
371-----	951
399-----	953
<b>16 CFR</b>	
13-----	863, 948, 1006, 1007, 1072, 1073, 1153, 1155, 1206
<b>19 CFR</b>	
8-----	864, 1017
10-----	1017
12-----	1017
16-----	1156
18-----	1017
32-----	1017
<b>20 CFR</b>	
210-----	864
214-----	864
216-----	864
217-----	1073
222-----	1073
237-----	1073
<b>21 CFR</b>	
9-----	903
15-----	903
19-----	1016
121-----	865, 866, 1074
141c-----	903
146b-----	1074
146c-----	903
<i>Proposed rules:</i>	
29-----	990
120-----	1078
121-----	880, 916
<b>25 CFR</b>	
<i>Proposed rules:</i>	
221-----	976
<b>26 (1954) CFR</b>	
1-----	955, 956
301-----	958
<i>Proposed rules:</i>	
1-----	963
46-----	964
211-----	1017
212-----	1037
213-----	1043
<b>29 CFR</b>	
2-----	1075
402-----	1075
<i>Proposed rules:</i>	
405-----	1053
<b>31 CFR</b>	
405-----	1007
<b>32 CFR</b>	
726-----	1156

	Page
<b>32 CFR—Continued</b>	
765-----	1075
1101-----	866
<b>32A CFR</b>	
<i>HHFA (Ch. XVII):</i>	
CR 1-----	1076
CR 2-----	1076
CR 3-----	1076
<b>33 CFR</b>	
203-----	961, 1205
<b>36 CFR</b>	
311-----	904
<b>38 CFR</b>	
1-----	870
3-----	961
6-----	1126
8-----	1136
21-----	1207
<b>39 CFR</b>	
17-----	905
21-----	905
24-----	905
43-----	905
46-----	905
48-----	905
49-----	905
100-176-----	1095
168-----	1076
<b>43 CFR</b>	
115-----	1092
<i>Proposed rules:</i>	
160-----	914
161-----	914
<i>Public land orders:</i>	
1711-----	1076
2048-----	951
2049-----	1076
<b>45 CFR</b>	
12-----	908
13-----	908
14-----	909
301-----	963
<b>46 CFR</b>	
206-----	1017
221-----	871
<i>Proposed rules:</i>	
201-380-----	1052
<b>47 CFR</b>	
2-----	1156
3-----	909
9-----	1156, 1208
12-----	913
13-----	1208
<i>Proposed rules:</i>	
3-----	1055, 1056, 1164, 1226
10-----	1078
17-----	1165
<b>49 CFR</b>	
120-----	1159, 1160
172-----	914
174a-----	1160
192-----	1008
193-----	1008
205-----	1209
301-----	914