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FEDERAL REGISTER

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Presidential Documents

Title 3—THE PRESIDENT

Proclamation 3412

MOTHER'S DAY, 1961

By the President of the United States of America

A Proclamation

WHEREAS the strength of our Nation depends upon the strength of the American home, where the spiritual, physical, and intellectual development of our children is begun and fostered; and

WHEREAS the American mother, as the heart of the American home, by her labor and love instills in our homes and nurtures in our children the spirit of our country; and

WHEREAS it is a cherished American custom to devote one day each year to acknowledging publicly our great affection, gratitude, and respect for our mothers; and

WHEREAS, in official acknowledgment of these sentiments of our people, the Congress, by a joint resolution approved May 8, 1914 (38 Stat. 770), designated the second Sunday in May of each year as Mother's Day and requested the President to issue a proclamation calling for the public observance of that day:

NOW, THEREFORE, I, JOHN F. KENNEDY, President of the United States of America, do hereby request that Sunday, May 14, 1961, be observed as Mother's Day; and I direct the appropriate officials of the Government to display the flag of the United States on all public buildings on that day.

I also call upon the people of the United States to observe Mother's Day by display of the flag at their homes or other suitable places, and to manifest through private and public expressions the reverent esteem in which we hold our mothers.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this eighth day of May in the year of our Lord nineteen hundred and [SEAL] sixty-one, and of the Independence of the United States of America the one hundred and eighty-fifth.

JOHN F. KENNEDY

By the President:

CHESTER BOWLES,
Acting Secretary of State.

[F.R. Doc. 61-4501; Filed, May 12, 1961; 10:41 a.m.]

Proclamation 3413

ESTABLISHING RUSSELL CAVE NATIONAL MONUMENT, ALABAMA

By the President of the United States of America

A Proclamation

WHEREAS Russell Cave, in the State of Alabama, is recognized by scientists to contain outstanding archeological and ethnological evidences of human habitation in excess of 8,000 years; and

WHEREAS the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, established pursuant to the act of August 21, 1935, 49 Stat. 666 (16 U.S.C. 463), impressed by the scientific importance and educational value of Russell Cave, has recommended that the cave be permanently preserved as a unit of the National Park System; and

WHEREAS Russell Cave and essential adjoining properties have been donated by the National Geographic Society to the American people for preservation as a national monument; and

WHEREAS, by section 2 of the act of Congress approved June 8, 1906, 34 Stat. 225 (16 U.S.C. 431), the President is authorized "in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected":

NOW, THEREFORE, I, JOHN F. KENNEDY, President of the United States, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906, 34 Stat. 225 (16 U.S.C. 431), do proclaim and declare that the following-described lands situated in Jackson County, State of Alabama, are hereby established as the Russell Cave National Monument, and shall be administered pursuant to the act of August 25, 1916, 39 Stat. 535 (16 U.S.C. 1–3), and acts supplementary thereto and amendatory thereof:

TRACT NO. 1

Begin a tie line at a rock corner which is a point common to Sections 5, 6, 7, 8, Township 1 South, Range 8 East, Jackson County, Alabama, Huntsville Meridian; thence with the North line of Section 8 and the South line of lands of R. M. Raulston, North 85° East, 1699.5 feet (103 Poles) to a rock corner, being the Southeast corner of lands of R. M. Raulston; thence with the East line of land of R. M. Raulston, North 4°30′ East, 2194.5 feet (133 Poles), being a marked line, to a large Linden (Lynn) tree, now down; thence continuing with the East line of R. M. Raulston North 9° East, 495 feet (30 Poles) to an iron pipe; thence with the South line of lands of Oscar Ridley the following four courses and distances: (1) thence South 78°00′ East, 1321.5 feet to an iron pipe; (2) thence South 44°30′ East, 183.7 feet to an iron pipe; (3) thence North 57°22′ East, 171.9 feet to a drilled hole in a large rock; (4) thence North 66°25′ East, 902 feet, passing an iron pipe at 882.5 feet, to the center of Dry Creek; thence leaving the Oscar Ridley property line and following the meanders of Dry Creek in a Southerly direction along the West line of lands of F. A. Newton for a distance of 550 feet, more or less, to a stake, being the Northwest corner of Tract No. 2 conveyed by Cecil Ridley and wife, Bonita Ridley, to the National Geographic Society by deed dated May 21, 1959, and recorded in Deed Book 171 at Page 49 in the Probate Office of Jackson County, Alabama; thence continue said tie line North 79° East 627 feet with the North line of said Tract No. 2 to the West right-of-way line of the new Mt. Carmel-Orme State Highway; thence continue North 79° East 40.4 feet to a stake on the East right-of-way line of said State Highway and the point of beginning; thence continue North 79° East 30.4 feet to an iron pipe; thence South 24°30′ East 204.0 feet to an iron pipe; thence South 79° West 30.4 feet to the Easterly right-of-way of said Mt. Carmel-Orme State Highway; thence North 24°30′ West 204.0 feet along said Easterly right-of-way to the point of beginning, and containing 0.14 acre, more or less.

TRACT NO. 2

Beginning at a point in the Westerly line of the 40-foot right-of-way of the new Mt. Carmel-Orme State Highway, at the Southeasterly corner of a tract of land now or formerly of Francis A. Newton, being South 79°00′ West a distance of 40.4 feet from the Northwesterly corner of the above described Tract No. 1; thence running along the said Westerly line of the 40-foot right-of-way South 24°30′ East, 204.0 feet to a stake; thence running along a line of land now or formerly of Cecil Ridley and wife, Bonita Ridley, South 79°00′ West, 641.0 feet to a point in the center of Dry Creek; thence running along the said center of Dry Creek North 23° West, 202 feet, more or less, to the Southwest corner of land now or formerly of Francis A. Newton; thence running along the said Southerly line of land now or formerly of Francis A. Newton, North 79°00′ East, 627.0 feet to the point of beginning, containing 2.91 acres, more or less, of land and water.

TRACTS NOS. 3 AND 4

Beginning at a rock corner which is a point common to Sections 5, 6, 7, 8, Township 1 South, Range 8 East, Jackson County, Alabama, Huntsville Meridian; thence with the North line of Section 8 and the South line of lands of R. M. Raulston, North 85° East, 1699.5 feet (103 Poles) to a rock corner, being the Southeast corner of lands of R. M. Raulston; thence with the East line of land of R. M. Raulston, North 4°30′ East, 2194.5 feet (133 Poles) being a marked line, to a large Linden (Lynn) tree, now down; thence continuing with the East line of R. M. Raulston North 9° East, 495 feet (30 Poles) to an iron pipe, thence with the South line of lands of Oscar Ridley the following four courses and distances: (1) thence South 78°00′ East, 1321.5 feet to an iron pipe; (2) thence South 44°30′ East, 183.7 feet to an iron pipe; (3) thence North 57°22′ East, 171.9 feet to a drilled hole in a large rock; (4) thence North 66°25′ East, 902 feet, passing an iron pipe at 882.5 feet, to the center of Dry Creek; thence

leaving the Oscar Ridley property line and following the meanders of Dry Creek in a Southerly direction along the West line of lands of F. A. Newton for a distance of 550 feet, more or less, to a stake, being the Northwest corner of Tract No. 2 conveyed by Cecil Ridley and wife, Bonita Ridley, to the National Geographic Society by deed dated May 21, 1959, and recorded in Deed Book 171 at Page 49 in the Probate Office of Jackson County, Alabama; thence down the center of Dry Creek South 23° East for a distance of 202 feet, to a stake being the Southwest corner of Tract No. 2 described above; thence with the meanders of Dry Creek in a Southerly direction along the West line of lands of Cecil Ridley 1150 feet, more or less, to a stake, which is located 829 feet, more or less, up the meanders of the Creek in a Northeasterly direction from the fence at the entrance of Russell Cave and also being the Northeast corner of Tract No. 3 conveyed by deed dated May 21, 1959, to the National Geographic Society from Cecil Ridley and wife, Bonita Ridley, and recorded in Deed Book 171 at Page 49 in the Probate Office of Jackson County, Alabama; thence with the East line of said Tract No. 3, South 2°30' West, 926 feet to a sink hole, being in the South line of Section 5; thence with the South line of Section 5 South 85° West, 1881.0 feet (114 Poles) along the North line of lands of Rice Raulston to the Northeast corner of the Northwest quarter of Section 8; thence with the East line of the Northwest quarter, South 5° East, 2640 feet (160 Poles) along the West line of lands of Oscar Ridley to the Southeast corner of the Northwest quarter of Section 8; thence with the South line of the Northwest quarter, South 85° West, 2640 feet (160 Poles) along the North line of lands of Oscar Ridley to the Southwest corner of the Northwest quarter of Section 8; thence with the West line of the Northwest quarter, North 5° West, 2640 feet (160 Poles) along the East line of lands of Oscar Ridley, to the point of beginning, being the Northwest corner of the Northwest quarter of Section 8 and the point common to Sections 5, 6, 7, and 8, Township 1 South, Range 8 East, Jackson County, Alabama, Huntsville Meridian, and containing 307.4 acres, more or less, of which 4.6 acres are in Tract 3, and 302.8 acres in Tract 4.

The above-described tracts comprise, altogether, approximately 310 acres.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy, or remove any feature of this national monument.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this eleventh day of May in the year of our Lord nineteen hundred and [SEAL] sixty-one, and of the Independence of the United States of America the one hundred and eighty-fifth.

JOHN F. KENNEDY

By the President:

CHESTER BOWLES,
Acting Secretary of State.

[F.R. Doc. 61–4502; Filed, May 12, 1961; 10:41 a.m.]

Executive Order 10940

ESTABLISHING THE PRESIDENT'S COMMITTEE ON JUVENILE DELINQUENCY AND YOUTH CRIME

WHEREAS, the United States Government has an obligation to maintain and develop programs and policies to promote the welfare of its younger citizens, and

WHEREAS, the steady growth in the incidence of juvenile delinquency and youth crime has long been recognized as a national problem of major concern, and

WHEREAS, there is a demonstrated need that the resources of the Federal Government be promptly mobilized to provide leadership and direction in a national effort to strengthen our social structure and to correlate, at all levels of government, juvenile and youth services; that training of personnel for juvenile and youth programs be intensified; and, that research to develop more effective measures for the prevention, treatment, and control of juvenile delinquency and youth crime be broadened:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. (a) There is hereby established the President's Committee on Juvenile Delinquency and Youth Crime (hereinafter referred to as the Committee). The Committee shall be composed of the Attorney General, the Secretary of Labor, and the Secretary of Health, Education, and Welfare. Each member of the Committee shall designate an official or employee of his department as an alternate member who shall serve as a member of the Committee in lieu of the regular member whenever the regular member is unable to attend any meeting of the Committee; and the alternate member shall while serving as such have in all respects the same status as a member of the Committee as does the regular member for whom he is serving. The Chairman of the Committee shall be the Attorney General.

(b) The Committee may invite representatives of the Judiciary to participate in its deliberations.

SEC. 2. The Committee (1) shall review, evaluate and promote the coordination of the activities of the several departments and agencies of the Federal Government relating to juvenile delinquency and youth crime; (2) shall stimulate experimentation, innovation and improvements in Federal programs; (3) shall encourage cooperation and the sharing of information between Federal agencies and state, local and private organizations having similar responsibilities and interests; (4) shall make recommendations to the Federal departments and agencies on measures to make more effective the prevention, treatment, and control of juvenile delinquency and youth crime.

SEC. 3. There is hereby established the Citizens Advisory Council (hereinafter referred to as the Council) which shall consist of not less than 12 and not more than 21 members, who shall be persons (including persons from public and voluntary organizations) who are recognized authorities in professional or technical fields related to juvenile delinquency or youth crime, or persons representative of the general public who are leaders in programs concerned with juvenile delinquency or youth crime, and who shall be designated by the Chairman of the Committee after consultation with the Committee and serve at the pleasure of the Committee. The Chairman of the Council shall be designated by the Chairman of the Committee.

SEC. 4. The Council shall furnish the Committee advice and recommendations with respect to the matters with which the Committee is concerned under section 2 of this order and any other matters relating to the functions of the Committee on which it may desire information or advice.

SEC. 5. The Committee shall make reports to the President from time to time with respect to its activities and shall make recommendations to the President regarding policy, programs and any additional measures including legislation which it deems desirable to further the objectives of this order.

SEC. 6. All executive departments and agencies of the Government are authorized and directed to cooperate with the Committee and to furnish it such information and assistance, not inconsistent with law, as it may require in the performance of its functions and duties.

SEC. 7. Consonant with law, the Departments of Justice, Labor, and Health, Education, and Welfare, shall as may be necessary for the effectuation of the purpose of this order, furnish assistance to the Committee in accordance with section 214 of the Act of May 3, 1945, 59 Stat. 134 (31 U.S.C. 691). Such assistance may include the detailing of employees to the Committee to perform such functions, consistent with the purpose of this order, as the Chairman of the Committee may assign to them. One of such employees may be designated to serve as Executive Director of the Committee. The necessary office space, facilities and supplies for the use of the Committee shall be furnished by the three departments concerned as they shall agree.

JOHN F. KENNEDY

THE WHITE HOUSE,
May 11, 1961.

[F.R. Doc. 61–4478; Filed, May 11, 1961; 2:55 p.m.]

Rules and Regulations

Title 6—AGRICULTURAL CREDIT

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

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[C.C.C. Texas Flaxseed Bulletin, 1961 Supp. 1]

PART 421—GRAINS AND RELATED COMMODITIES

Subpart—1961 Texas Flaxseed Purchase Program

PURCHASE PRICES, PREMIUMS AND DISCOUNTS

A purchase program has been authorized for 1961-crop flaxseed produced in designated Texas counties. This subpart contains provisions applicable to the 1961 program and together with the provisions contained in C.C.C. Texas Flaxseed Bulletin (26 F.R. 3979) constitutes the 1961 Texas Flaxseed Purchase Program.

§ 421.642 Purchase prices, premiums and discounts.

(a) *1961 county purchase prices.* Basic purchase prices per bushel of eligible flaxseed of the 1961 crop produced in the authorized counties listed below which is delivered to authorized dealers under this program for the account of CCC will be at the rate established for the county where the flaxseed is delivered. The basic purchase prices for flaxseed grading No. 1 and containing from 10.6 to 11.0 percent moisture are as follows:

TEXAS

County	Rate per bushel	County	Rate per bushel
Aransas	$2.61	Hidalgo	$2.45
Atascosa	2.49	Jackson	2.50
Bastrop	2.50	Jim Hogg	2.51
Bee	2.60	Jim Wells	2.59
Bell	2.47	Karnes	2.55
Bexar	2.50	Kimble	2.42
Blanco	2.47	Kleberg	2.59
Bowie	2.39	La Salle	2.43
Brooks	2.50	Lavaca	2.50
Brown	2.44	Lee	2.53
Burnet	2.44	Live Oak	2.57
Caldwell	2.50	McCulloch	2.42
Calhoun	2.52	McMullen	2.52
Cameron	2.47	Mason	2.44
Coleman	2.41	Matagorda	2.53
Collin	2.44	Maverick	2.37
Colorado	2.57	Medina	2.49
Comal	2.50	Milam	2.49
Concho	2.41	Mills	2.44
De Witt	2.51	Nueces	2.62
Dimmit	2.39	Real	2.42
Duval	2.54	Red River	2.39
Frio	2.47	Refugio	2.55
Galveston	2.61	Runnels	2.39
Goliad	2.56	San Patricio	2.63
Gonzales	2.50	San Saba	2.44
Guadalupe	2.50	Taylor	2.37
Hamilton	2.40	Travis	2.50
Hays	2.50	Uvalde	2.42

TEXAS—Continued

County	Rate per bushel	County	Rate per bushel
Victoria	$2.54	Williamson	$2.49
Webb	2.47	Wilson	2.53
Wharton	2.58	Zapata	2.44
Willacy	2.48	Zavala	2.39

(b) *1961 terminal market purchase prices.* (1) The basic purchase price shall be $2.82 per bushel for No. 1 flaxseed containing 10.6 to 11.0 percent moisture delivered by rail in carload lots to authorized dealers at the Corpus Christi and Houston, Texas, terminal markets.

(2) The basic purchase price for flaxseed of such grade and quality delivered by truck to atuhorized dealers at the above terminal markets will be purchased by CCC under this program on the basis of the terminal rate minus 4½ cents per bushel.

(c) *Grade discount.* The basic purchase price for No. 2 flaxseed shall in all instances be 6 cents per bushel less than the price indicated for No. 1 flaxseed.

(d) *Premiums for low moisture content.* The following premiums for low moisture content are applicable to eligible flaxseed:

Moisture content (percent):	Premium (cents per bushel)
10.6 to 11.0 inclusive	0
10.1 to 10.5 inclusive	1
9.6 to 10.0 inclusive	2
9.1 to 9.5 inclusive	3
9.0 or less	4

AUTHORITY: § 421.642 issued under sec. 4, 62 Stat. 1070, as amended; sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053, 1054, as amended; 15 U.S.C. 714 b and c, 7 U.S.C. 1447, 1421.

Effective date. May 10, 1961.

H. D. GODFREY,
Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 61-4445; Filed, May 12, 1961; 8:49 a.m.]

Chapter V—Agricultural Marketing Service, Department of Agriculture

SUBCHAPTER B—EXPORT AND DOMESTIC CONSUMPTION PROGRAMS

PART 540—PILOT FOOD STAMP PROJECTS

Sec.

AUTHORITY: §§ 540.1 to 540.14 issued under R.S. 161, 5 U.S.C. 22. Interpret or apply 49 Stat. 774, as amended, 7 U.S.C. 612c.

§ 540.1 General purpose and scope.

(a) This part announces the policies and prescribes the general regulations with respect to the Pilot Food Stamp Projects to be operated in 8 pilot areas for the purpose of encouraging the domestic consumption of agricultural commodities and products thereof by increasing their utilization among low-income groups.

(b) The Pilot Food Stamp Projects will be operated in the following project areas: Franklin County, Illinois; Floyd County, Kentucky; City of Detroit, Michigan; Virginia-Hibbing-Nashwauk area, Minnesota; Silver Bow County, Montana, San Miguel County, New Mexico; Fayette County, Pennsylvania; and McDowell County, West Virginia.

§ 540.2 Definitions.

As used in these regulations and in all instructions, forms, and documents in connection therewith, the words and phrases defined in this section shall have the meaning assigned to them herein, unless the context or subject matter requires otherwise.

(a) "Program" means the Pilot Food Stamp Projects.

(b) "Eligible food(s)" means any food or food product for human consumption except: Coffee, tea, cocoa (as such), alcoholic beverages, tobacco, and those products which are clearly identifiable from the package as being imported from foreign sources.

(c) "Coupon" means any food stamp coupon issued pursuant to the provisions of this part.

(d) "Coupon allotment" means the total value of coupons to be issued to an eligible household during each month, or other time period as specified by the certifying agency.

(e) "Household" means one or more related or non-related individuals, who are not residents of an institution or boarding house, but living as one economic unit sharing common household facilities and for whom food is customarily purchased in common.

(f) "Eligible household" means a household which is located in a project area and which is determined to be in economic need of food assistance in accordance with the provisions of this part.

(g) "Head of household" means the member of the household who made application for participation as a recipient in the Pilot Food Stamp Projects.

(h) "Retail food store" means an establishment or recognized department thereof which sells eligible foods to households for home consumption. This term may also include an established retail trade route which offers eligible food

to households for home consumption, if AMS determines that the participation of such route will effectuate the program. It also includes two or more retail food stores operated under a single management.

(i) "Food retailer" means any person, partnership, corporation or other legal entity owning or operating a retail food store.

(j) "Wholesale food concern" means an establishment which sells eligible foods to participating retail food stores for resale to eligible households.

(k) "Bank" means member and nonmember banks of the Federal Reserve System.

(l) "Federal Reserve Banks" means the 12 Federal Reserve Banks and their 24 branches.

(m) "Department" means the U.S. Department of Agriculture.

(n) "Secretary" means the Secretary of Agriculture or his authorized representative.

(o) "AMS" means the Agricultural Marketing Service of the Department.

(p) "State agency" means the State public welfare agency including the local offices thereof, which now administers the Federally-aided public assistance programs within a State.

(q) "Local agency" means the county or municipal governmental agency or official which assumes responsibility for administering some part or parts of the program at the election of the State Agency and with the concurrence of AMS.

(r) "Certifying Agency" means the agency responsible for certifying households as eligible.

(s) "Issuing Agency" means the agency responsible for the issuance of coupons to eligible households.

(t) "Program participant" means any (1) household certified as eligible to participate in the program, (2) authorized retail food store, (3) authorized wholesale food concern, (4) bank receiving coupons, (5) any certifying or issuing agency whose plan of operation has been approved.

§ 540.3 Administration.

(a) AMS shall act on behalf of the Department in administering the program.

(b) The State agency shall be responsible for certifying households as eligible for the program and for the issuance of coupons to eligible households, except, that a local agency may, at the election of the State agency, assume responsibility for the issuance of coupons to eligible households: *Provided, however,* That the City of Detroit Department of Public Welfare shall be the agency for certifying as eligible those households in the City of Detroit which are not receiving benefits under a Federally-aided public assistance program.

(c) Each certifying agency, and each local agency having responsibility for issuing coupons, shall submit to AMS a plan of operation describing the policies, procedures and methods which, upon written approval by AMS, the agency shall follow in carrying out such responsibilities in accordance with the provisions of this part. No amendments to such a plan shall be made without prior written approval by AMS, and AMS may require amendment of any agency's plan of operation as a condition of continued approval.

(d) AMS shall authorize retail food stores and wholesale food concerns to accept coupons in accordance with the provisions of this part.

§ 540.4 Payments for certain costs of the certifying agency.

On the basis of a formula set forth in the plan of operation of the certifying agency approved by AMS, AMS will bear a portion of the cost of certifying as eligible for the program those households not receiving benefits under the certifying agency's public assistance program. The formula shall be designed to pay the certifying agency not to exceed 50 percent of such direct administrative costs which are incurred in certifying such households for the program, and which are in addition to costs required to administer the certifying agency's current programs.

§ 540.5 Certification of households as eligible.

(a) Households in which all members thereof are included in the determination to grant benefits under the Federally-aided public assistance programs authorized in the Social Security Act, or under State or local welfare programs applying the same or similar criteria of need as those applied under such Act, shall be determined to be in economic need of food assistance and, therefore, eligible to participate in the program while receiving such benefits.

(b) Other households shall be determined to be in economic need of food assistance and, therefore, eligible for the program, when the income and resources of such households are less than the maximum authorized for various classes of households in the plan of operation approved by AMS for any certifying agency. The criteria used in determining this maximum must bear a direct relation to the welfare standards used in the State in its own welfare program.

(c) An identification card shall be provided to each household certified as eligible to participate in the program. A sample identification card shall be submitted with the plan of operation.

§ 540.6 Basis for issuing coupons to eligible households.

(a) The certifying agency shall determine the value of the coupon allotment to be provided each eligible household and the cash amount each household must pay for its coupon allotment.

(b) The coupon allotment to be issued to each eligible household shall be such as will provide for an increase in the food expenditures of such households to enable them more nearly to approach a nutritionally adequate diet. The cash amount, if any, each household must pay for the coupons issued to it shall be such as will tend to maintain their normal expenditures for eligible foods.

(c) The certifying agency may provide review procedure under which eligible households may, on the basis of substantial hardship, request an adjustment in the initial determination of the cash amount to be paid for its coupon allotment and the value of the coupon allotment.

§ 540.7 Methods of distributing and accounting for coupons and cash receipts.

(a) AMS will distribute coupons by registered mail directly to a designated receiving agent of the issuing agency who will promptly verify and receipt for the contents of each shipment. Thereupon, the coupons shall be the sole responsibility of the issuing agency until issued to an eligible household. The issuing agency shall provide for the safekeeping of its supplies of coupons and for proper inventory and accounting controls for such supplies.

(b) The issuing agency shall provide for the issuance of coupons to eligible households. The frequency of the issuance of coupons shall be such as to encourage participation of eligible households but, in any event, shall be no less often than monthly. The coupon allotment to be issued to any household, and the payments therefor, shall be in the amounts determined by the certifying agency and supplied to the issuing agency.

(c) If any eligible household is found to have failed to regularly obtain its coupon allotment, such household shall be eligible to continue to participate in the program only if the certifying agency determines that such household failed to participate regularly because of temporary substantial and emergency need.

(d) The issuing agency shall provide for the reconciliation of coupon inventories, coupon issuance and cash receipts therefor, as frequently as the method of issuance and sale requires. Cash receipts shall be properly safeguarded at all times and promptly deposited, recorded and reported in accordance with instructions issued by AMS.

(e) The certifying agency, and also the issuing agency if a separate and distinct legal entity from the certifying agency, shall be liable to the United States of America for any loss or damage sustained as a result of any violation of these regulations or the approved plan of operation, or of any failure to fully account for cash or coupons received under the program by such agency. Any such agency shall on demand pay to the United States of America the amount due as a result of any such loss or damage. Every official or employee of such agency who is responsible for receiving and issuing coupons or receiving amounts paid by eligible households must be covered by an appropriate form of surety bond in favor of such agency.

§ 540.8 Plans of operation.

(a) The certifying agency shall submit a plan of operation to AMS for its approval. Such plan shall: (1) Set forth the coupon allotment to be provided various classes of eligible households and the payments to be made therefor; (2) state the policies, procedures and methods to be followed, and the forms and records to be used, to insure the proper discharge of its responsibilities under the provisions of this part; (3) provide

assurance that welfare grants or similar aid shall not be reduced as a result of the program; and (4) provide for periodic review of certification of households to determine any change in status which would affect the continued eligibility of the household, the amount of its coupon allotment, or the amount of cash paid therefor.

(b) The issuing agency shall submit a plan of operation to AMS for its approval. Such plan shall state the policies, procedures and methods to be followed, and the forms and records to be used, to insure the proper discharge of its responsibilities under the provisions of this part.

(c) As a condition of approval, AMS may require any plan of operation submitted for approval to be modified as AMS may deem necessary to effectuate the purposes of this part; to make provision for testing variations in administration of the program in one or more project areas; or to test the program as a device to improve the diet of eligible households and increase their consumption of various types of eligible foods.

§ 540.9 Use of coupons by eligible households.

(a) The head of the eligible household shall sign each book of coupons provided to him in his coupon allotment. The coupons may be used only by the head of the household or other persons designated by him to purchase eligible food for such household. Except for those coupons of twenty-five cents denomination returned to him as change by the authorized retail food store, coupons shall be detached from the book only at the time such coupons are exchanged for food in authorized retail food stores.

(b) Coupons shall be used only to purchase eligible foods at the prices prevailing in the authorized retail food store in which coupons are exchanged for food. Upon request, the head of the eligible household or his authorized representative shall present his identification card in the retail food store when exchanging food coupons for eligible foods.

(c) Coupons shall not be used to pay for any eligible foods purchased prior to the time at which the coupons are surrendered in the retail food store.

§ 540.10 Participation of retail food stores.

(a) Food retailers desiring to participate in the program shall file an application with AMS on AMS Form "Application for Authorization to Participate in the Food Stamp Program". Upon approval, AMS will issue an authorization evidencing such approval for the store or stores covered by the application. A copy of such authorization shall be retained in each retail food store and no coupon shall be accepted by any retail food store prior to the receipt of such authorization from AMS or after withdrawal of authorization by AMS.

(b) Authorized retail food stores shall post in the store the list of foods, furnished from time to time by AMS, which the Secretary has determined cannot be purchased with coupons.

(c) Coupons shall be accepted by the authorized retail food store only in exchange for eligible foods, and at the same prices and on the same terms and conditions applicable to cash purchases of the same foods at the same store.

(d) No owner or employee of any retail food store authorized to receive coupons shall accept coupons marked "cancelled"; coupons which bear the stamped or written endorsement of any bank; or coupons of other than twenty-five cent denomination which have been detached from the coupon book prior to the time of purchase of eligible food nor shall any such person knowingly accept coupons from a person presenting coupons in exchange for eligible food who has no right to the possession of such coupons for such use.

(e) Change in cash shall not be given for coupons, but authorized retail food stores may use for the purpose of making change those coupons having a denomination of twenty-five cents which were previously accepted in exchange for eligible food. If change in an amount of less than twenty-five cents is required, the eligible household may have the option of paying in cash, or credit may be extended by the authorized retail food store for the future delivery of an equivalent value of eligible foods.

(f) Authorized retail food stores which received coupons in accordance with the provisions of this part, shall be entitled to receive payment, upon presentation, for the face value of such coupons through the banking system or through authorized wholesale food concerns.

§ 540.11 Participation of wholesale food concerns.

(a) Wholesale food concerns desiring to participate in the program shall file an application with AMS on AMS Form "Application for Authorization to Participate in the Food Stamp Program". Upon approval, AMS will issue written authorization to participate.

(b) Authorized wholesale food concerns may accept coupons for redemption only from authorized retail food stores in payment for its purchases from the wholesale food concern and only when coupons are presented with the authorized retail food store's signed redemption certificate and have not otherwise been marked "paid" or "cancelled".

(c) Authorized wholesale food concerns which have received coupons in accordance with the provisions of this part shall be entitled to receive payment through the banking system for the face value of such coupons, upon presentation of the coupons together with (1) the authorized retail food store's signed redemption certificate for such coupons and (2) the authorized wholesale food concern's signed redemption certificate.

§ 540.12 Procedure for redeeming stamps.

(a) Authorized retail food stores and authorized wholesale food concerns will be provided by AMS with AMS Form "Food Stamp Program Redemption Certificate" which shall be used in presenting coupons to commercial banks for credit or for cash. Authorized retail food stores shall also use such certificate in presenting coupons to authorized wholesale food concerns for redemption.

§ 540.13 Participation of banks.

(a) Banks may accept coupons for redemption from authorized retail food stores and authorized wholesale food concerns in accordance with the provisions of this part and the instructions of the Federal Reserve Banks. Coupons submitted to banks for credit or for cash must be accompanied by a properly executed AMS Form "Food Stamp Program Redemption Certificate". No bank shall knowingly accept coupons used by ineligible persons or transmitted for collection by unauthorized retail food stores, wholesale food concerns, or any other unauthorized persons, partnerships, corporations, or other legal entities. Banks may require persons presenting coupons for redemption to exhibit AMS authorization to deal in such coupons. The Food Stamp Program Redemption Certificates shall be held by the receiving bank until final credit has been given by the Federal Reserve Bank, after which they shall be forwarded by the receiving bank to AMS. Coupons accepted for account or payment in cash must be cancelled by the first bank receiving the coupons by indelibly marking "paid" or "cancelled" together with the name of the bank on the coupons by means of an appropriate stamp. A portion of a coupon consisting of not less than three-fifths (3/5) of a whole coupon may be accepted for redemption at face value. A portion of a coupon of less than three-fifths (3/5) of a whole coupon will not be accepted for redemption. Banks who are members of the Federal Reserve System and non-member clearing banks may forward cancelled coupons directly to Federal Reserve Banks for payment in accordance with applicable regulations or instructions of the Federal Reserve Banks. Other banks may forward cancelled coupons through ordinary collection channels.

(b) Federal Reserve Banks, acting as fiscal agents of the United States, are authorized to receive cancelled coupons from member banks of the Federal Reserve System and non-member clearing banks for collection as cash items and charge such items to the general account of the Treasurer of the United States in accordance with the terms and conditions of the agreement between the Secretary of Agriculture and Federal Reserve Banks.

(c) While in the course of shipment cancelled coupons shall be considered to be at the risk of the Department, if the bank transmitting such coupons has compiled with the provisions of the Government Losses in Shipment Act, 50 Stat. 479, as amended (5 U.S.C. § 134 et seq.) and the regulations of the Secretary of the Treasury promulgated thereunder 31 CFR 261.0–261.10. Among other things each shipment of cancelled coupons must be inspected and verified by two responsible employees of the bank before final preparation for delivery to the carrier and must be finally prepared for such delivery in their presence and before leaving their immediate control, the records required for each shipment by 31 CFR 261.4 shall be prepared and permanently maintained, and notice to the consignee of shipments of coupons hav-

ing a value of $10,000.00 or more shall be given as provided by 31 CFR 261.7. Reports of loss, destruction or damage shall be given promptly on discovery to all of the following: AMS; the nearest Secret Service Office; the Post Office or other carrier; and the Secretary of the Treasury, Division of Deposits. Such reports shall contain all information required by 31 CFR 261.7. Claim for replacement or credit in the event of loss, damage or destruction of any shipment of coupons shall be made as provided in 31 CFR 261.8 and 261.9. In addition, any such claim shall be supported by the Food Stamp Program Redemption Certificates received from the retail food stores or wholesale food concerns, relating to the coupons included in the particular shipment involved in such claim.

§ 540.14 Miscellaneous provisions.

(a) *Right of inspection and audit.* Records pertaining to the program maintained by certifying and issuing agencies, by retail food stores, and by wholesale food concerns shall be available for review or audit by the United States at any reasonable time. Such records shall be maintained for such review or audit for a period of 3 years following the close of the fiscal year to which they pertain.

(b) *Disqualification and non-compliance.* Any program participant may be disqualified from future participation by the certifying agency in the case of households and by AMS in the case of all other participants for such period as the certifying agency or AMS shall determine, if any such program participant fails to comply with the provisions of this part, the plan of operation, or any procedures or instructions issued by AMS pursuant thereto. Any program participant shall have full opportunity to submit information, explanation, or evidence concerning any instance of noncompliance or diversion of funds before a final determination is made in such cases by the certifying agency or AMS. Nothing in this subsection shall preclude other action being taken by the Department or the United States, including prosecution for fraud under applicable Federal statutes.

(c) *Termination of participant.* Any certifying agency, issuing agency, any authorized retail food store, or authorized wholesale food concern may terminate participation at any time by giving notice to AMS. Any such termination shall not relieve any such agency, store or concern from its responsibility to account for coupons, funds, reports, or other program obligations for which it was responsible under these regulations or an approved plan of operation.

(d) *Redemption from household.* Any eligible household which holds coupons properly issued to such household may elect to discontinue participation in the program. Unused coupons and identification cards may be returned for cash refund from AMS in the same ratio of cash to coupons as was applied by the issuing agency in the issuance of the coupons to the household. Application for such refund shall be made by the head of household. In the event of the death of the head of household, the application shall be supported by a completed Standard Form 1055—Revised, Claim Against the United States for Amounts Due in the Case of a Decedent, prepared and executed as provided in regulations of the General Accounting Office, 4 CFR 5.1 and 5.2, and certified as provided in 4 CFR 5.5. If the application for refund is made by the legal representative of an incompetent, it shall be supported by the certification and documentation required by 4 CFR 5.4.

(e) *Coupons as obligations of the United States, false claims, and crimes.* Coupons are an obligation of the United States within the meaning of 18 U.S.C. 8. The provisions of Title 18 of the U.S. Code "Crimes and Criminal Procedure" relative to counterfeiting and alteration of obligations of the United States and the uttering, dealing in, etc., of counterfeit obligations of the United States are applicable to these coupons. All program participants and any other persons, partnerships, corporations, or other legal entities (hereinafter referred to in this subsection as "persons") having custody, care and control of coupons, shall at all times use care and caution in receiving, storing, transmitting or otherwise handling coupons to avoid acceptance, transfer, negotiation, or use of spurious, altered, or counterfeit coupons or any unauthorized transfer, negotiation or use of coupons and to protect coupons from theft, embezzlement, loss, damage or destruction. Any unauthorized issuance, use or transfer of coupons by any program participant or other person, or any false statement made by any program participant or other person, in any application or certification required by this part, by the plan of operation of any certifying or issuing agency, or by instructions of AMS or the Federal Reserve System, may subject such program participant or other person to criminal prosecution under any applicable provision of Title 18 U.S. Code or civil liability under the provisions of 31 U.S.C. 231 or either, or both, as well as to any legal action as may be maintained under State law.

(f) *Mailing of notices and other documentation to AMS.* All plans of operation, requests for authorization of food retailers and wholesale food concerns, notices and all other documents required by these regulations to be forwarded to AMS, shall be sent to the local AMS Food Stamp Project Office or to the appropriate office of AMS for the project area involved as indicated below:

(1) For the project areas of: Franklin County, Illinois; City of Detroit, Michigan; and Virginia-Hibbing-Nashwauk area, Minnesota: Food Distribution Division, AMS, United States Department of Agriculture, 536 South Clark Street, Chicago 5, Illinois.

(2) For the project area of Silver Bow County, Montana: Food Distribution Division, AMS, United States Department of Agriculture, Appraisers Building, 630 Sansome Street, San Francisco 11, California.

(3) For the project area of San Miguel County, New Mexico: Food Distribution Division, AMS, United States Department of Agriculture, 500 South Ervay Street, Dallas 1, Texas.

(4) For the project areas of Fayette County, Pennsylvania and McDowell County, West Virginia: Food Distribution Division, AMS, United States Department of Agriculture, 346 Broadway, New York 13, New York.

(5) For the project area of Floyd County, Kentucky: Food Distribution Division, AMS, United States Department of Agriculture, 50 Seventh Street NE., Atlanta, Georgia.

(g) *Saving Clause.* Any or all of the provisions of this part may be withdrawn or amended by the Department.

NOTE: The recordkeeping and reporting requirements herein specified have been approved by, and any further such requirements that may be established will be subject to the approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

O. V. WELLS,
Administrator.

Approved: May 12, 1961.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 61-4505; Filed, May 12, 1961; 11:36 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of Defense

Effective upon publication in the FEDERAL REGISTER, paragraph (d)(1) is added to § 6.104 as set out below.

§ 6.104 Department of Defense.

* * * * *

(d) *General.* (1) Positions the duties of which are of a quasi-military nature and involve the security of secret or confidential matter, when in the opinion of the Commission appointment through competitive examination is impracticable.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 61-4441; Filed, May 12, 1961; 8:49 a.m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Renegotiation Board

Effective upon publication in the FEDERAL REGISTER, paragraphs (b) and (c) are added to § 6.359 as set out below.

§ 6.359 The Renegotiation Board.

* * * * *

(b) One Secretary to the Chairman.

(c) One Secretary to each of the four Board Members.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 61-4442; Filed, May 12, 1961; 8:49 a.m.]

Title 7—AGRICULTURE

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

[Amdt. 22]

PART 728—WHEAT

Subpart—Wheat Marketing Quota Regulations for 1958 and Subsequent Crop Years

RATE OF PENALTY

Basis and purpose. The purpose of this amendment is to establish the monetary rate of penalty for any farm marketing excess determined in connection with the 1961 wheat marketing quota program at 45 percent of the May 1, 1961, parity price of wheat as required by Public Law 117, 83d Congress.

Since the only purpose of this amendment is to announce the penalty in dollars and cents calculated in accordance with a mathematical formula prescribed by statute, it is hereby found and determined that compliance with the provisions of the Administrative Procedure Act with respect to notice, public procedure thereon, and effective date is unnecessary, and the amendment herein shall become effective upon the date of its publication in the FEDERAL REGISTER.

Section 728.872 of the wheat marketing quota regulations for 1958 and subsequent crop years is hereby amended by adding at the end thereof the following: "The rate of penalty applicable to 1961 crop wheat shall be $1.08 per bushel, which is 45 per centum of the parity price per bushel of wheat as of May 1, 1961, which is determined to be $2.39."

(Sec. 375, 52 Stat. 66, as amended; sec. 1, 55 Stat. 203, as amendd by 67 Stat. 151; 7 U.S.C. 1375, 1340)

Effective date. Upon publication.

Issued at Washington, D.C., this 10th day of May 1961.

H. D. GODFREY,
Administrator, Commodity Stabilization Service.

[F.R. Doc. 61-4446; Filed, May 12, 1961; 8:50 a.m.]

PART 728—WHEAT

Subpart—1962–63 Marketing Year

Sec.
728.1201 Basis and purpose.
728.1202 National marketing quota for wheat for the 1962–63 marketing year.
728.1203 1962 national acreage allotment for wheat.
728.1204 Apportionment of the 1962 national acreage allotment for wheat among the several States.
728.1205 Designation of States outside the commercial wheat-producing area for the 1962–63 marketing year.

AUTHORITY: §§ 728.1201 to 728.1205 issued under secs. 301, 332, 333, 334, 335, 375, 377, 52 Stat. 38, as amended, 53, as amended, 54, as amended, 66, as amended, 73 Stat. 393; 7 U.S.C. 1301, 1332, 1333, 1334, 1335, 1375, 1377.

§ 728.1201 Basis and purpose.

(a) The regulations contained in §§ 728.1201 to 728.1205 are issued (1) to proclaim the national marketing quota for wheat for the marketing year beginning July 1, 1962, (2) to proclaim the 1962 national acreage allotment for wheat, (3) to apportion among the several States the 1962 national acreage for wheat, and (4) to designate the States outside the commercial wheat-producing area for the 1962–63 marketing year.

(b) Section 335 of the Agricultural Adjustment Act of 1938, as amended, provides that whenever in any calendar year the Secretary of Agriculture determines (1) that the total supply of wheat for the marketing year beginning in such calendar year will exceed the normal supply for such marketing year by more than 20 per centum or (2) that the total supply for wheat for the marketing year ending in such calendar year is not less than the normal supply for such marketing year and that the average farm price for wheat for three consecutive months of such marketing year did not exceed 66 per centum of parity, the Secretary shall, not later than May 15 of such calendar year, proclaim such fact and a national marketing quota shall be in effect with respect to the marketing of wheat during the marketing year beginning July 1 of the next succeeding calendar year.

(c) Section 332 of the Act provides that not later than May 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year. Section 333 of the Act, as amended, provides that the national acreage allotment for any crop of wheat shall be that acreage which the Secretary determines will, on the basis of the national average yield of wheat, produce an amount thereof adequate, together with the estimated carry-over at the beginning of the marketing year for such crops and imports, to make available a supply for such marketing year equal to a normal year's domestic consumption and exports plus 30 per centum thereof, but such national acreage allotment cannot be less than 55 million acres.

(d) Section 334(a) of the Act, as amended, provides that the 1962 national acreage allotment for wheat (less a reserve of not to exceed one per centum thereof for apportionment to counties in addition to the county allotments made under section 334(b) of the Act on the basis of the relative needs of counties for additional allotment because of new areas coming into the production of wheat during the preceding ten years) shall be apportioned among the several States on the basis of the acreage seeded for the production of wheat during the ten calendar years 1951 to 1960 (plus, in applicable years, the acreage diverted from wheat under agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and for trends in acreage during such period.

(e) Section 335(e) of the Act, as amended, provides that if, for the 1962–63 marketing year, the acreage allotment for wheat for any State is 25,000 acres or less, the Secretary, in order to promote efficient administration of the Act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota or acreage allotment for wheat shall be applicable in such marketing year to any farm in any State so designated; and no acreage allotment in any other State shall be increased by reason of such designation.

(f) (1) The findings and determinations by the Secretary contained in §§ 728.1202, 728.1203, and 728.1204 have been made on the basis of the latest available statistics of the Federal Government as required by section 301(c) of the Agricultural Adjustment Act of 1938, as amended. In making the findings and determinations contained in § 728.1204 the State wheat acreage estimates of the Statistical Reporting Service of this Department were used for the years 1951–56, inclusive, adjusted where necessary to reflect the acreages of wheat used for green manure, cover crop, hay, pasture, and silage, in all States, the acreage planted to Durum Wheat (Class II) under Public Law 290, 83d Congress, and Public Law 8, 84th Congress in the States of Minnesota, Montana, North Dakota, and South Dakota, and Public Law 431, 84th Congress, in the States of North Dakota, Minnesota, Montana, South Dakota, and California, as indicated by statistics of the Commodity Stabilization Service of this Department.

For States for which wheat acreage estimates are not compiled by the Statistical Reporting Service, and for the 1957, 1958, 1959, and 1960 crop years, statistics of the Commodity Stabilization Service were used.

(2) Credit for wheat diversion in 1951 was computed on a county basis for each State. However, no diversion credit was computed for counties in which only spring wheat was seeded, because wheat acreage allotments for 1951 were suspended before any spring wheat was seeded. For counties in which only winter wheat was seeded, diversion credit for 1951 was computed by subtracting from the county base acreage of wheat established under the 1951 wheat acreage allotment program the larger of (i) the total 1951 wheat acreage seeded in the county or (ii) the 1951 county wheat acreage allotment, except that no diversion credit was allowed where the total 1951 wheat acreage seeded in the county exceeded the 1951 county base acreage of wheat. For counties in which both winter and spring wheat were seeded, diversion credit for 1951 was

computed in the same manner as for counties in which winter wheat was seeded, except that the respective results were adjusted by a decimal factor which was obtained by dividing the total acreage of winter wheat seeded in the county during the preceding three years by the total acreage of all wheat seeded in the county during the same years.

(3) Credit for wheat diversion in 1954 was computed on a farm basis rather than on a county basis and was determined as follows: If the 1954 wheat acreage allotment was knowingly exceeded, no credit for diversion was allowed. If the 1954 allotment was not knowingly exceeded and the 1954 wheat acreage was 90 per centum or more of the farm allotment, the diversion credit allowed was the difference between the base acreage and the 1954 wheat acreage. If the 1954 wheat acreage was less than 90 per centum of the allotment, the maximum diversion credit for the farm was determined by dividing the 1954 wheat acreage by 90 per centum of the county scaling factor and subtracting from this result the 1954 wheat acreage.

(4) Credit for wheat diversion in 1955 and 1956 was computed on a farm basis in a similar manner as for 1954, except that for 1956 there was added to the computed wheat diversion for each farm the acreage placed in the 1956 acreage reserve program for wheat which was not planted to wheat.

(5) For the years 1954, 1955, and 1956, the State diversion credit for wheat was determined by obtaining the sums of the computed farm diversion credits for each year. For the States of Minnesota, Montana, North Dakota, and South Dakota the acreage of Durum Wheat (Class II) grown within the allotment increases made for 1954 under Public Law 290, 83rd Congress, and for 1955 and 1956 under Public Law 431, 84th Congress, were deducted from the 1954, 1955, and 1956 State wheat acreages, respectively, adjusted as described above so that such increases made for Durum Wheat (Class II) would not be reflected in the determination of future allotments as provided by those Acts. For the State of California a similar adjustment was made in the 1956 State wheat acreage for Durum Wheat (Class II).

(6) Adjustments for abnormal weather conditions were determined on a county basis for each State because the nature of such adjustments does not permit their determination at the State level. Such adjustments in the county wheat acreage estimates were approved only for counties for which the ASC State committees had determined that the wheat acreage seeded and diverted for any year of the 10-year period was below normal due to abnormal weather conditions. Counties thus approved which had wheat acreage plus diverted acreage for the year in question lower than the level represented by 90 percent of the most recent previous normal year's acreage or 110 percent of the previous 10-year average wheat acreage plus diverted acreage, whichever was less, were increased to such level. The State wheat acreage estimates of the Statistical Reporting Service, as previously adjusted, were increased by an acreage equal to the difference between the wheat acreage plus diversion and the acreage substituted in lieu thereof as an adjustment for abnormal weather, for all applicable counties in the State.

(7) The 1957 wheat acreage data as compiled from Commodity Stabilization Service statistics included the following as wheat acreage: (i) Acreage actually seeded on the farms and classified as wheat under marketing quota regulations, less the acreage of Durum Wheat (Class II) grown within the allotment increases under Public Law 85–13; (ii) the amount by which the acreage on a farm was less than the wheat acreage allotment, except those farms underplanting the allotment for the purpose of depleting stored excess; (iii) the acreage diverted from the production of wheat on complying farms; and (iv) the acreage released and reapportioned to farms under regulations issued by the Secretary governing the temporary release and reapportionment of such acreage.

(8) Section 334 of the Agricultural Adjustment Act of 1938, as amended, was amended by Public Law 85–203 to add subsection (h), reading in part as follows: "Notwithstanding any other provision of law, no acreage in the commercial wheat-producing area seeded to wheat for harvest as grain in 1958 or thereafter in excess of acreage allotments shall be considered in establishing future State and county acreage allotments except as prescribed in the provisos to the first sentence of subsections (a) and (b), respectively, of this section."

(9) Under the provisions of this amendment, only the allotment can be counted as wheat acreage history on any farm on which the allotment was overseeded for the 1958 crop year. The acreage data for 1958 compiled from Commodity Stabilization Service statistics were the sum of the following: (i) The wheat acreage allotment for all farms on which the allotment was overseeded; (ii) the wheat acreage base on all farms complying with the wheat acreage allotment, except those farms underplanting the allotment for the purpose of depleting stored excess; and (iii) for those farms underplanting the allotment for the purpose of depleting stored excess, the acreage actually classified as wheat under marketing quota regulations, plus the diversion credit determined by multiplying the acreage seeded by the reciprocal of the county scaling factor.

(10) Section 334 of the Agricultural Adjustment Act of 1938, as amended, was amended by Public Law 86–419, to add subsection (d) as follows:

(d) For the purpose of subsections (a), (b), and (c) of this section, any farm (1) to which a wheat marketing quota is applicable; and (2) on which the acreage planted to wheat exceeds the farm wheat acreage allotment; and (3) on which the marketing excess is zero shall be regarded as a farm on which the entire amount of the farm marketing excess has been delivered to the Secretary or stored in accordance with applicable regulations to avoid or postpone the payment of the penalty. This subsection shall be applicable in establishing the acreage seeded and diverted and the past acreage of wheat for 1959 and subsequent years in the apportionment of allotment beginning with the 1961 crop of wheat. For the purpose of clause (1) of this subsection, a farm with respect to which an exemption has been granted under section 335(f) for any year shall not be regarded as a farm to which a wheat marketing quota is applicable for such year, even though such exemption should become null and void because of a violation of the conditions of the exemption.

Under the provisions of this amendment and under the exceptions as prescribed in the provisos to Public Law 85–203, only the allotment can be counted as wheat acreage history on any farm on which the allotment is overseeded, unless the entire amount of the marketing quota excess is stored or delivered to the Secretary to avoid or postpone the payment of penalty, and none of such excess has been depleted, or the excess has been adjusted to zero because of underproduction. The 1959 and 1960 wheat acreage data compiled from Commodity Stabilization Service statistics were the sum of the following: (i) The wheat acreage allotment for all farms on which the allotment was overseeded, except those farms on which the entire amount of the farm marketing excess was stored or delivered to the Secretary to avoid or postpone the payment of penalty, and none of such excess was depleted, or the farm marketing excess was adjusted to zero because of underproduction; (ii) the wheat base acres on all old farms on which the allotment was overseeded and on which the entire amount of the farm marketing excess was stored or delivered to the Secretary to avoid or postpone payment of penalty, and none of such excess was depleted, or the farm marketing excess was adjusted to zero because of underproduction; (iii) the wheat base acreage on all old farms complying with the wheat acreage allotment, except those farms underplanting the allotment for the purpose of depleting stored excess and except for 1960 those old farms other than federally-owned farms on which less than 75 per centum of the farm allotment for 1960 and for each of the years 1958 and 1959 was actually planted to wheat or was regarded as planted to wheat under the Soil Bank Act and the Great Plains program; (iv) for those old farms underplanting the allotment for the purpose of depleting stored excess, the acreage actually classified as wheat under marketing quota regulations, plus the diversion credit determined by multiplying the acreage seeded by the reciprocal of the scaling factor; (v) for 1960 for any old farm other than a federally-owned farm on which less than 75 per centum of the farm acreage allotment for each of the years 1958, 1959, and 1960 was actually planted to wheat or regarded as planted to wheat under the Soil Bank Act and the Great Plains program, the smaller of the farm base acreage for 1960 or the acreage obtained by multiplying the wheat acreage for 1960 by the 1960 county wheat diversion factor, which will be the reciprocal of a decimal fraction which is 75 per centum of the 1960 county proration factor; (vi) for new farms knowingly overplanted for which the farm marketing excesses were

adjusted to zero on account of actual production or for which farm marketing excesses were determined and such excesses were stored or delivered to the Secretary to avoid or postpone payment of penalty, the final allotment determined for the farm multiplied by the county wheat diversion factor, which will be the reciprocal of a decimal fraction equal to 100 per centum of the county proration factor; and (vii) for any new farm for which a wheat acreage allotment was determined and such allotment was not overplanted, the final allotment determined for the farm multiplied by the wheat diversion credit factor, which will be the reciprocal of a decimal fraction which is equal to the county proration factor. To the acreages determined above, the special allotments assigned to farms in the Tulelake Area of California (under the provisions of Public Law 86–385) were added for each of the years 1959 and 1960.

(11) A preliminary adjustment for trend was made by deducting from the State wheat acreage history, as computed in accordance with the preceding paragraphs, the wheat acreage history for the years 1955 through 1958 for those farms which have been removed from agricultural production due to the encroachment of urban and industrial development.

(12) Further adjustments for trends in acreage during the applicable base period were made for each State by first computing an average of the adjusted State wheat acreage estimates for the 10-year period, 1951–60, and the 5-year period, 1956–60, and then computing for each State the mid-point of such 10-year and 5-year average acreages.

(13) The effect of this adjustment for trend was limited by not permitting the finally determined base acres to vary from the average of the 10-year period (1951–60) by more than 3 per centum.

(14) It is hereby found and determined that the statistics of the Statistical Reporting Service, as so adjusted and supplemented by data compiled by the Commodity Stabilization Service, constitute the latest available and most reliable statistics of the Federal Government.

(g) Prior to proclaiming the national marketing quota for wheat for the 1962–63 marketing year and the 1962 national acreage allotment for wheat, the apportionment of the 1962 national acreage allotment for wheat among the several States, and the designation of States outside the commercial wheat-producing area for the 1962–63 marketing year, public notice of the proposed action was given (26 F.R. 3723) in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 1003). No views, data, or recommendations were received pursuant to such notice.

(h) Since the Agricultural Adjustment Act of 1938, as amended, requires the holding of a referendum of wheat producers who will be subject to the marketing quotas proclaimed on the 1962 crop not later than July 24, 1961, to determine whether such producers favor or oppose such marketing quotas and requires, insofar as practicable, the mailing of notices of farm acreage allotments to farm operators in sufficient time to be received prior to the date of the referendum and since farm acreage allotments cannot be established until the national acreage allotment for wheat has been apportioned among States and counties and the States outside the commercial wheat-producing area for the 1962–63 marketing year have been designated, it is hereby found that the proclamations and determinations contained herein shall become effective upon filing with the Director, Division of the Federal Register.

§ 728.1202 National marketing quota for wheat for the 1962–63 marketing year.

The total supply of wheat for the 1961–62 marketing year is determined to be 2,789 million bushels, consisting of an estimated carry-over on July 1, 1961, of 1,455 million bushels, an estimated production in 1961 of 1,327 million bushels, and estimated imports during the 1961–62 marketing year of 7 million bushels. The normal supply of wheat for such marketing year is determined to be 1,451 million bushels, consisting of 609 million bushels for estimated domestic consumption for the 1960–61 marketing year, 600 million bushels for estimated exports for the 1961–62 marketing year, plus 20 per centum of such consumption and exports. Since the total supply exceeds normal supply by more than 20 per centum, a national marketing quota shall be in effect with respect to the marketing of wheat during the 1962–63 marketing year.

§ 728.1203 1961 national acreage allotment for wheat.

A normal year's domestic consumption of 614 million bushels and exports of 421 million bushels of wheat plus 30 per centum thereof is determined to be 1,345 million bushels. The estimated carry-over of wheat for the marketing year beginning July 1, 1962, is 1,580 million bushels. Imports of wheat during the 1962–63 marketing year are estimated to be 7 million bushels. With the estimated carry-over and imports exceeding a normal year's domestic consumption and exports plus 30 per centum thereof, the national acreage allotment of wheat for the 1962 crop is determined to be zero acres. Since this amount is less than the minimum provided by law, the national acreage allotment of wheat for the 1962 crop shall be 55 million acres.

§ 728.1204 Apportionment of the 1962 national acreage allotment of wheat among the several States.

The national acreage allotment proclaimed in § 728.1203, less a reserve of thirty thousand acres for additional allotments to counties, is hereby apportioned among the several States as follows:

State:	*Acreage allotment*
Alabama	43,432
*Alaska	40
Arizona	36,306
Arkansas	67,424
California	424,405
Colorado	2,644,541
*Connecticut	496
Delaware	30,735
*Florida	4,896
Georgia	110,448
*Hawaii	0
Idaho	1,186,015
Illinois	1,438,974
Indiana	1,106,120
Iowa	123,266
Kansas	10,686,946
Kentucky	207,788
*Louisiana	21,663
*Maine	1,082
Maryland	171,158
*Massachusetts	614
Michigan	954,474
Minnesota	724,762
Mississippi	45,403
Missouri	1,355,610
Montana	4,033,938
Nebraska	3,160,333
*Nevada	12,488
*New Hampshire	54
New Jersey	50,376
New Mexico	470,175
New York	318,471
North Carolina	288,536
North Dakota	7,445,333
Ohio	1,501,745
Oklahoma	4,885,906
Oregon	848,820
Pennsylvania	540,979
*Rhode Island	408
South Carolina	141,904
South Dakota	2,747,525
Tennessee	183,761
Texas	4,012,633
Utah	304,176
*Vermont	562
Virginia	245,462
Washington	2,027,326
West Virginia	33,846
Wisconsin	39,003
Wyoming	287,642
Total apportioned to States	54,970,000
National Reserve	30,000
Total national allotment	55,000,000

*Designated noncommercial wheat State.

§ 728.1205 Designation of States outside the commercial wheat-producing area for the 1962–63 marketing year.

The 1962 State acreage allotment of wheat for each of the States of Alaska, Connecticut, Florida, Hawaii, Louisiana, Maine, Massachusetts, Nevada, New Hampshire, Rhode Island, and Vermont, as issued under § 728.1204, was twenty-five thousand acres or less. In order to promote efficient administration of the Act, each of the States mentioned in this section is hereby designated as outside the commercial wheat-producing area for the 1962–63 marketing year. Accordingly, the commercial wheat-producing area for the 1962–63 marketing year, in which the provisions of §§ 728.1010 to 728.1024 shall be applicable, shall consist of all States in the continental United States except States hereinabove mentioned.

Issued at Washington, D.C., this 10th day of May 1961.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 61-4476; Filed, May 12, 1961; 8:51 a.m.]

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

[Valencia Orange Reg. 226]

PART 922—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 922.526 Valencia Orange Regulation 226.

(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 22, as amended (7 CFR Part 922), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said marketing agreement and order, as amended, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on May 11, 1961.

(b) *Order.* (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., May 14, 1961, and ending at 12:01 a.m., P.s.t., May 21, 1961, are hereby fixed as follows:

(i) District 1: 375,000 cartons;

(ii) District 2: 482,660 cartons;

(iii) District 3: Unlimited movement.

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

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

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

Dated: May 12, 1961.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 61–4506; Filed, May 12, 1961; 11:40 a.m.]

[Plum Order 1]

PART 936—FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

Regulation by Grades

§ 936.660 Plum Order 1.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 36, as amended (7 CFR Part 936), regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Plum Commodity Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of plums, in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter specified. A reasonable determination as to the supply of, and the demand for, such plums must await the development of the crop thereof, and adequate information thereon was not available to the Plum Commodity Committee until the date hereinafter set forth on which an open meeting was held, after giving due notice thereof, to consider the need for, and the extent of, regulation of shipments of such plums. Interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specificed herein were promptly submitted to the Department after such meeting was held; shipments of the current crop of such plums are expected to begin on or about the effective date hereof; this section should be applicable to all such shipments in order to effectuate the declared policy of the act; the provisions of this section are identical with the aforesaid recommendation of the committee; and information concerning such provisions and effective time has been disseminated among handlers of such plums; and compliance with the provisions of this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof. Such committee meeting was held on April 26, 1961.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., May 15, 1961, and ending at 12:01 a.m., P.s.t., November 1, 1961, no shipper shall ship any package or container of any variety of plums unless such plums grade at least U.S. No. 1.

(2) Section 936.143 sets forth the requirements with respect to the inspection and certification of shipments of fruit covered by this section. Such section also prescribes the conditions which must be met if any shipment is to be made without prior inspection and certification. Notwithstanding that shipments may be made without inspection and certification, each shipper shall comply with all grade and size regulations applicable to the respective shipment.

(3) When used in this section, "U.S. No. 1" shall have the same meaning as set forth in the United States Standards for Plums and Prunes (§§ 51.1520–51.1537 of this title), and all other terms shall have the same meaning as when used in the amended marketing agreement and order.

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

Dated: May 10, 1961.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 61–4473; Filed, May 12, 1961; 8:51 a.m.]

[Plum Order 2]

PART 936—FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

Regulation by Sizes

§ 936.661 **Plum Order 2.**

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 36, as amended (7 CFR Part 936), regulating the handling of fresh Bartlett pears, plums, and Elberta peaches grown in the State of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Plum Commodity Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of plums of the variety hereinafter set forth, and in the manner herein provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than the date hereinafter specified. A reasonable determination as to the supply of, and the demand for, such plums must await the development of the crop thereof, and adequate information thereon was not available to the Plum Commodity Committee until the date hereinafter set forth on which an open meeting was held, after giving due notice thereof, to consider the need for, and the extent of, regulation of shipments of such plums. Interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; shipments of the current crop of such plums are expected to begin on or about the effective date hereof; this section should be applicable to all such shipments in order to effectuate the declared policy of the act; the provisions of this section are identical with the aforesaid recommendation of the committee; and information concerning such provisions and effective time has been disseminated among handlers of such plums and compliance with the provisions of this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof. Such committee meeting was held on April 26, 1961.

(b) *Order.* (1) During the period beginning at 12:01 a.m., P.s.t., May 15, 1961, and ending at 12:01 a.m., P.s.t., November 1, 1961, no shipper shall ship from any shipping point during any day any package or container of Beauty plums, except to the extent otherwise permitted under this paragraph, unless:

(i) Such plums are of a size that, when packed in a standard basket, they will pack at least a 4 x 5 standard pack and will have a net weight of twenty-four (24) pounds: *Provided,* That, not to exceed ten (10) percent, by count, of the packages or containers in any lot may fail to meet such net weight requirement; and

(ii) The diameters of the smallest and largest plums in such package or container do not vary more than one-fourth (¼) inch: *Provided,* That, a total of not more than five (5) percent, by count, of the plums in the package or container may fail to meet this requirement.

(2) During each day of the aforesaid period, any shipper may ship from any shipping point a quantity of such plums, by number of packages or containers, which are of a size smaller than the size prescribed in subparagraph (1) of this paragraph if said quantity does not exceed fifty (50) percent of the number of the same type of packages or containers of plums shipped by such shipper which meet the size requirements of said subparagraph (1) of this paragraph: *Provided,* That, the individual packages or containers of such smaller plums in each lot of such plums handled shall not exceed two-thirds (⅔) of the total packages or containers of plums in such lot: *And provided further,* That, all such smaller plums meet the following requirements:

(i) Such plums are of a size that, when packed in a standard basket, they will pack at least a 5 x 5 standard pack and will have a net weight of twenty-three (23) pounds: *Provided,* That, not to exceed ten (10) percent, by count, of the packages or containers in any lot may fail to meet such net weight requirement; and

(ii) The diameters of the smallest and largest plums in the package or container do not vary more than one-fourth (¼) inch: *Provided,* That, a total of not more than five (5) percent, by count, of the plums in the package or container may fail to meet this requirement.

(3) If any shipper, during any day of the aforesaid period, ships from any shipping point less than the maximum allowable quantity of such plums that may be of a size smaller than the size prescribed in subparagraph (1) of this paragraph, the quantity of such undershipment may be shipped by such shipper only from such shipping point.

(4) When used in this section, "standard pack" shall have the same meaning as set forth in the revised United States Standards for Plums and Prunes (Fresh) (§§ 51.1520 to 51.1537 of this title); "standard basket" shall mean the standard basket set forth in paragraph 1 of section 828.1 of the Agricultural Code of California; "diameter" shall mean the distance through the widest portion of the cross section of a plum at right angles to a line running from the stem to the blossom end; and, except as otherwise specified, all other terms shall have the same meaning as when used in the amended marketing agreement and order.

(5) Section 936.143 sets forth the requirements with respect to the inspection and certification of shipments of fruit covered by this regulation. Such section also prescribes the conditions which must be met if any shipment is to be made without prior inspection and certification. Notwithstanding that shipments may be made without inspection and certification, each shipper shall comply with all grade and size regulations applicable to the respective shipment.

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

Dated: May 10, 1961.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 61–4474; Filed, May 12, 1961; 8:51 a.m.]

[Lemon Reg. 899]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 953.1006 **Lemon Regulation 899.**

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation dur-

ing the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on May 9, 1961.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., May 14, 1961, and ending at 12:01 a.m., P.s.t., May 21, 1961, are hereby fixed as follows:

(i) District 1: Unlimited movement;

(ii) District 2: 372,000 cartons;

(iii) District 3: Unlimited movement.

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

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

Dated: May 11, 1961.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 61-4472; Filed, May 12, 1961; 8:51 a.m.]

[Peach Order 2]

PART 962—FRESH PEACHES GROWN IN GEORGIA

Limitation of Shipments

§ 962.321 Peach Order 2.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 62, as amended (7 CFR Part 962), regulating the handling of fresh peaches grown in the State of Georgia, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendation of the Industry Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that this order will tend to effectuate the declared policy of the act with respect to shipments of fresh peaches grown in the State of Georgia.

(2) It is hereby found that it is impracticable, unnecessary, and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective time of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than May 16, 1961. Shipments of the early varieties of the current crop of peaches are expected to begin on or about May 18, 1961, and this section should be applicable, insofar as practicable, to all shipments of such peaches in order to effectuate the declared policy of the act; and compliance with this section will not require of handlers any preparation therefor which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a.m., e.s.t., May 16, 1961, and ending at 12:01 a.m., e.s.t., September 1, 1961, no handler shall ship peaches in any bulk lot or any lot of packages (except peaches in bulk to destinations in the adjacent markets), unless (*a*) at least 85 percent, by count, of such peaches are U.S. No. 1 quality; and (*b*) at least 90 percent, by count, of such peaches are mature: *Provided,* That peaches with split pits and well healed hail marks may be shipped if they otherwise meet the requirements of this paragraph.

(c) The maturity regulations contained in § 962.400 of this part are hereby suspended with respect to shipments of peaches to destinations other than in the adjacent markets during the period specified in paragraph (b)(1) of this regulation.

(d) When used herein, the terms "handler," "adjacent markets," "peaches," "peaches in bulk," and "ship" shall have the same meaning as when used in the aforesaid amended marketing agreement and order, and the terms "U.S. No. 1," "split pits," and "well healed hail marks" shall have the same meaning as when used in the revised United States Standards for Peaches (§§ 51.1210 to 51.1223 of this title).

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

Dated: May 12, 1961.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 61-4504; Filed, May 12, 1961; 11:36 a.m.]

[Lime Reg. 11]

PART 1001—LIMES GROWN IN FLORIDA

Quality and Size Regulation

§ 1001.311 Lime Regulation 11.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 101, as amended (7 CFR Part 1001), regulating the handling of limes grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the Florida Lime Administrative Committee, established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of limes, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) in that, as hereinafter set forth, the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than May 15, 1961. Shipments of Florida limes are currently regulated pursuant to Lime Regulation 10 (26 F.R. 3237) and are subject thereunder to quality restrictions; Lime Regulation 10 is scheduled to terminate effective at 12:01 a.m., e.s.t., May 15, 1961; determinations as to the need for, and extent of, continued regulation of Florida lime shipments must await the development of the crop and the availability of information on the demand for such fruit; the recommendations and supporting information for regulation of lime shipments subsequent to May 15, 1961, and in the manner herein provided, were promptly submitted to the Department after an open meeting of the Florida Lime Administrative Committee on May 9, 1961, held to consider recommendations for regulation; the provisions of this section are identical with the aforesaid recommendations of the committee, and information concerning such provisions has been disseminated among handlers of Florida limes; it is necessary, in order to effectuate the declared policy of the act, to make this section effective as hereinafter set forth; and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a.m., e.s.t., May 15, 1961, and ending at 12:01 a.m., e.s.t., May 22, 1961, no handler shall handle:

(i) Any limes of the group known as true limes (also known as Mexican, West Indian, and Key limes and by other synonyms), grown in the production area, which do not meet the requirements of at least U.S. No. 2 grade for

Persian (Tahiti) limes, except as to color; or

(ii) Any limes of the group known as large fruited or Persian limes (including Tahiti, Bearss, and similar varieties), grown in the production area, which do not grade at least U.S. No. 2, Mixed Color.

(2) On and after 12:01 a.m., e.s.t., May 22, 1961, no handler shall handle any limes of the group known as large fruited or Persian limes (including Tahiti, Bearss, and similar varieties), grown in the production area, which are smaller than 1⅞ inches in diameter: *Provided*, That not to exceed 10 percent, by count, of the limes in any container may fail to meet this requirement.

(3) During the period beginning at 12:01 a.m., e.s.t., May 22, 1961, and ending at 12:01 a.m., e.s.t., June 12, 1961, no handler shall handle:

(i) Any limes of the group known as true limes (also known as Mexican, West Indian, and Key limes and by other synonyms), grown in the production area, which do not meet the requirements of at least U.S. No. 2 grade for Persian (Tahiti) limes, except as to color; or

(ii) Any limes of the group known as large fruited or Persian limes (including Tahiti, Bearss, and similar varieties), grown in the production area, which do not grade at least U.S. Combination, Mixed Color.

(4) On and after 12:01 a.m., e.s.t., June 12, 1961, no handler shall handle:

(i) Any limes of the group known as true limes (also known as Mexican, West Indian, and Key limes and by other synonyms), grown in the production area, which do not meet the requirements of at least U.S. No. 2 grade for Persian (Tahiti) limes, except as to color; or

(ii) Any limes of the group known as large fruited or Persian limes (including Tahiti, Bearss, and similar varieties), grown in the production area, which do not grade at least U.S. Combination, Mixed Color, with not less than 75 percent, by count, of the limes in any lot, and not less than 65 percent, by count, of the limes in any container in such lot, grading at least U.S. No. 1, Mixed Color.

(5) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, as used herein, shall have the same meaning as is given to the respective term in the United States Standards for Persian (Tahiti) Limes (§§ 51.1000 to 51.1016 of this title).

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

Dated: May 11, 1961.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 61–4486; Filed, May 12, 1961; 8:51 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 740; Amdt. 285]

PART 507—AIRWORTHINESS DIRECTIVES

Lockheed 188 Series Aircraft

As it has been substantiated that incorporation of the modifications to Lockheed 188 aircraft contained in Lockheed Service Bulletin 500 eliminates the need for inspections required by Amendment 159 (25 F.R. 4542) as amended by Amendment 205 (25 F.R. 9287), an additional paragraph is being added to the amendment specifically eliminating the inspection requirements. Since this amendment is a relaxation for operators of Lockheed 188 aircraft after incorporation of modifications to the affected area, notice and public procedure hereon are unnecessary and the amendment will become effective upon publication in the FEDERAL REGISTER.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489) § 507.10(a) of Part 507 (14 CFR Part 507), is amended as follows:

Amendment 159 (25 F.R. 4542) as amended by Amendment 205 (25 F.R. 9287), is further amended by adding the following final paragraph:

The preceding inspections may be discontinued after the incorporation of the modifications contained in Lockheed Service Bulletin 88/SB–500.

This amendment shall become effective May 13, 1961.

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on May 9, 1961.

OSCAR BAKKE,
Director,
Bureau of Flight Standards.

[F.R. Doc. 61–4414; Filed, May 12, 1961; 8:45 a.m.]

[Reg. Docket No. 741; Amdt. 286]

PART 507—AIRWORTHINESS DIRECTIVES

Bell 47J–2 Helicopters

Subsequent to adoption of Amendment 249, 26 F.R. 1111, third order torsional dampers were developed for the Lycoming VO–540–B1B engine installed on Bell 47J–2 helicopters. The new dampers were designed to smooth out the engine excitation responsible for an unsatisfactory gear wear pattern. Accordingly, as inspections required by Amendment 249 are unnecessary for Bell 47J–2 helicopters having the modified engine designated VO–540–B1B3 installed, the applicability statement of the amendment is revised.

Since this amendment imposes no additional burden, notice and public procedure hereon are unnecessary and the amendment will become effective upon publication in the FEDERAL REGISTER.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 507.10(a) of Part 507 (14 CFR Part 507), is amended as follows:

Amendment 249, Bell 47J–2 helicopters, 26 F.R. 1111 is amended by changing the applicability statement to read:

Applies to all Bell Model 47J–2 helicopters except those equipped with Lycoming VO–540–B1B3 engines (third order torsional dampers).

This amendment shall become effective May 13, 1961.

(Sec. 313(a), 601, 603; 72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423)

Issued in Washington, D.C., on May 9, 1961.

OSCAR BAKKE,
Director,
Bureau of Flight Standards.

[F.R. Doc. 61–4415; Filed, May 12, 1961; 8:45 a.m.]

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 60–NY–56]

PART 601—DESIGNATION OF CONTROLLED AIRSPACE, REPORTING POINTS, POSITIVE CONTROL ROUTE SEGMENTS, AND POSITIVE CONTROL AREAS

Alteration and Revocation of Control Area Extensions

On March 25, 1961, a notice of proposed rule making was published in the FEDERAL REGISTER (26 F.R. 2571) stating that the Federal Aviation Agency (FAA) proposed to alter the Boston control area extensions (§§ 601.1377, 601.1141, and 601.1142), alter the Quonset Point, R.I., control area extension, and revoke the Lawrence, Mass., Falmouth, Mass., Nantucket, Mass., Hyannis, Mass., Portsmouth, N.H., Martha's Vineyard Mass., and Manchester, N.H., control area extensions. On April 4, 1961, a modification of proposal was published in the FEDERAL REGISTER (26 F.R. 2807) stating that the closing date for the submission of comments was changed to April 20, 1961.

The Department of the Navy requested that the airspace between R–4901 and W–103 be excluded from the Boston control area extension. The FAA concurs in this request and action taken herein reflects this change.

The Airline Pilots Association, the Air Transport Association of America and the Department of the Army comments reflected concurrence or lack of objection to the proposal. No other comments were received regarding the proposed amendments.

Since these actions involve the designation of navigable airspace outside of the United States, the Administrator

has consulted with the Secretary of State and the Secretary of Defense in accordance with the provisions of Executive Order 10854.

Interested persons 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.

The substance of the proposed amendments having been published, therefore, pursuant to the authority delegated to me by the Administrator (25 F.R. 12582) and for the reasons stated herein and in the notice, the following actions are taken:

1. Section 601.1377 (25 F.R. 10526) is amended to read:

§ 601.1377 Control area extension (Boston, Mass.).

That airspace bounded by a line beginning at latitude 43°25'32" N., longitude 70°36'50" W.; to latitude 43°21'30" N., longitude 70°19'20" W.; to latitude 43°15'00" N., longitude 70°30'00" W.; to latitude 42°44'20" N., longitude 70°37'00" W.; then along a line 3 nautical miles from and parallel to the shoreline to latitude 42°35'00" N., longitude 70°34'45" W.; to latitude 42°35'00" N., longitude 70°30'00" W.; to latitude 42°06'50" N., longitude 70°30'00" W.; to latitude 41°57'30" N., longitude 70°17'00" W.; to latitude 42°08'50" N., longitude 70°03'20" W.; to latitude 42°05'55" N., longitude 70°02'10" W.; along a line 3 nautical miles from and parallel to the shoreline to latitude 41°48'30" N., longitude 69°51'50" W.; to latitude 41°41'40" N., longitude 69°45'20" W.; to latitude 41°19'10" N., longitude 70°13'40" W.; to latitude 41°13'40" N., longitude 70°43'00" W.; to latitude 41°36'30" N., longitude 70°43'00" W.; to latitude 41°42'20" N., longitude 71°19'10" W.; to latitude 42°35'00" N., longitude 71°58'30" W.; to latitude 42°46'40" N., longitude 72°09'15" W.; to latitude 43°03'40" N., longitude 71°41'15" W.; to latitude 43°13'11" N., longitude 71°34'33" W.; to the point of beginning, excluding the portion of this control area extension which coincides with R–4901, and the airspace at 3,000 feet MSL and below bounded on the N by latitude 43°01'30" N., on the E by W–103, on the S by latitude 42°59'03" N., and on the W by R–4901, during the time of designation of R–4901. The portion of this control area extension which coincides with R–4101, R–4106, R–4107, and R–4103 shall be used only after obtaining prior approval from the appropriate authority.

§§ 601.1090, 601.1295, 601.1296, 601.1371, 601.1375, 601.1410, 601.1426 [Revocations]

2. In Part 601 (14 CFR Part 601) the following sections are revoked:

(a) Section 601.1090 Control area extension (Lawrance, Mass.).

(b) Section 601.1295 Control area extension (Falmouth, Mass.).

(c) Section 601.1296 Control area extension (Nantucket, Mass.).

(d) Section 601.1371 Control area extension (Hyannis, Mass.).

(e) Section 601.1375 Control area extension (Manchester, N.H.).

(f) Section 601.1410 Control area extension (Portsmouth, N.H.).

(g) Section 601.1426 Control area extension (Martha's Vineyard, Mass.).

3. Section 601.1164 (25 F.R. 8811) is amended to read:

§ 601.1164 Control area extension (Quonset Point, R.I.).

The airspace bounded on the W by VOR Federal airway No. 139, on the N by the 102° radial of the Providence, R.I. VOR, on the E by the Boston, Mass., control area extension (§ 601.1377) and on the S by control area extension 1169.

§ 601.1141 [Amendment]

4. In the text of § 601.1141 (14 CFR 601.1141) "confines of Federal airways." is deleted and "confines of Federal airways, and excluding the portion that coincides with the Boston control area extension (§ 601.1377)." is substituted therefor.

§ 601.1142 [Amendment]

5. In the text of § 601.1142 (14 CFR 601.1142) "confines of Federal airways." is deleted and "confines of Federal airways, and excluding the portion that coincides with the Boston control area extension (§ 601.1377)." is substituted therefor.

These amendments shall become effective 0001 e.s.t., June 15, 1961.

(Sec. 307(a) and 1110, 72 Stat. 749 and 800; 49 U.S.C. 1348 and 1510, and Executive Order 10854, 24 F.R. 9565).

Issued in Washington, D.C., on May 8, 1961.

D. D. THOMAS,
Director, Bureau of Air Traffic Management.

[F.R. Doc. 61–4416; Filed, May 12, 1961; 8:45 a.m.]

Title 32—NATIONAL DEFENSE

Chapter V—Department of the Army

SUBCHAPTER G—PROCUREMENT

PART 590—GENERAL PROVISIONS

PART 592—PROCUREMENT BY NEGOTIATION

PART 595—FOREIGN PURCHASES

PART 605—PROCUREMENT FORMS

Miscellaneous Amendments

1. Add new §§ 590.357, 590.358, and 590.359, and in § 590.402–50, revise paragraph (b), to read as follows:

§ 590.357 Close out of contracts.

It is the objective of the Department of the Army to prevent contracts from running for protracted periods of time through continuation orders and yearly augmentations, thus limiting competition and causing difficulty in maintaining continuity of contract administration. Contracts involving successive procurements should be closed out after not more than two yearly augmentations of the basic contract and a new contract awarded for subsequent procurement of the item or service. A yearly augmentation is an extension of the original contract as amended for a 12-month period.

(a) *Approval required.* Authority for approval of any contract augmentation is set forth below:

(1) *Contracting Officer.* If the contracting officer considers one or two yearly augmentations of a basic contract necessary, written justification supporting this action will be made a part of the contract file.

(2) *Head of the Procuring Activity.* Augmentation for a third or fourth year beyond the term of the basic contract will be made only with the written approval, in advance, of the Head of the Procuring Activity. When the contracting officer desires to augment a contract for a third or fourth year, a request for approval to take such action will be submitted to the Head of the Procuring Activity, and shall contain a complete justification for continuation of the contract for the additional year. To permit timely action, the request must be submitted to reach the Head of the Procuring Activity three months prior to the expiration date of the contract.

(3) *Deputy Chief of Staff for Logistics.* Augmentation beyond the fourth year of the term of the basic contract will be made only with the written approval, in advance, of the Deputy Chief of Staff for Logistics. When the contracting officer and the Head of the Procuring Activity desire to augment a contract beyond the fourth year, a request for approval to take such action will be submitted to the Deputy Chief of Staff for Logistics, Department of the Army, Washington 25, D.C., Attn: Chief, Contracts Division, and shall contain a complete justification for continuation of the contract for the additional year. To permit timely action, the request must be submitted to reach the Deputy Chief of Staff for Logistics, Attn: Chief, Contracts Division three months prior to the expiration of the previously approved augmentation date of the contract.

(b) *Justification.* A complete justification, including specific details, must be shown for each contract extension. Justifications may include but are not limited to such items as:

(1) Excessive burden to renumber Government property records;

(2) Increased costs or delay in production required to establish a new contract;

(3) Increased costs due to elimination of special concessions or other problems peculiar to a new contract;

(4) Government has substantial financial interests in severable and nonseverable facilities that are not readily transferable to another contractor, and

(5) Relatively small quantity remains to be produced so that the entire contract can be completed within six months.

(c) *Exceptions.* (1) The above general policy is not to be construed as overriding any other provision of the contract or requirements for approvals (i.e., Determination and Finding, Program and Project approvals) which may otherwise limit authority to augment the contract.

(2) The approval requirements of paragraph (a) of this section do not apply to the following types of contracts which may normally extend for longer periods of time. The contracting officer should, however, place written justification in the contract file, fully supporting the continuation of these contracts beyond five years.

(i) Basic Agreements,
(ii) Facilities Contracts,
(iii) Government-Owned Contractor Operated (GOCO) Ammunition Plants,
(iv) Layaway Contracts,
(v) Leases,
(vi) Production Engineering Contracts,
(vii) Research and Development Contracts, and
(viii) Utility Contracts.

§ 590.358 Warranty or guarantee provisions.

(a) *Policy.* The Department of the Army generally considers the use of warranty provisions inappropriate in contracts for procurement of supplies or services. Where use of a warranty provision is uneconomical and therefore not in the best interest of the Government, such clauses shall not be used. Warranty clauses may be used in either individual procurements or in classes of procurements as authorized by the Head of the Procuring Activity.

(b) *Factors for consideration prior to authorization.* The Heads of Procuring Activities will consider the following factors in formulating appropriate instructions governing the use of warranty clauses:

(1) The cost of the warranty;
(2) The cost and difficulty of administering the warranty;
(3) The ability of the Army elements using the item to take advantage of the warranty;
(4) The nature of the item, i.e., commercial, semi-military, or military, depending on the origin and control of the design used;
(5) The use of commercial components, which are susceptible to warranty, in semi-military or military items;
(6) The coverage of proposed warranties in terms of, i.e., material or components only or in terms of labor and materials;
(7) Possible effect on the applicable inspection or quality assurance actions under the contract, and
(8) Customary trade practices.

(c) *Procedural considerations.* In providing for the use of warranty clauses Heads of Procuring Activities will assure:

(1) That the use of warranty clauses will be supported as one of the elements to be included in any formal request for approval of award required;
(2) That in no event will any warranty clause be written in such a way as to weaken the latent defects provisions of the standard "Inspection" clause;
(3) That if warranty provisions are required to be included in a formally advertised bid, the requirement should be expressly stated in the Invitation for Bids; and
(4) That if warranties are to be used in negotiated procurements, the requirement may be included in the request for proposals or be the object of consideration in negotiations.

§ 590.359 Study type contracts.

Each contract requiring performance of a study shall contain a provision similar to that set forth below. The provision shall require the contractor to submit, in draft form, a copy of the report of the study to the contracting officer, prior to any publication or dissemination of the information contained therein, in order to determine the security classification, if any, and to insure that the report is factually accurate and complete.

Report Clause. (April 1961.)

The Contractor shall submit, in draft form, a copy of the report of the study called for in this contract prior to any publication or dissemination of the information contained therein. Thirty days shall be allowed for the Contracting Officer's approval, unless a longer period is agreed upon.

§ 590.402–50 General responsibilities of Contracting Officers.

* * * * *

(b) Contracting officers shall personally sign all contracts and modifications entered into by them. This authority cannot be delegated to others. (See § 590.451(b) with respect to change orders.) The signing of contractual documents will not be accompanied by facsimile stamps or by proxy.

2. Add new § 592.809 and revise § 592.811, as follows:

§ 592.809 Audit as a pricing aid.

(a) The contracting officers will use advisory audit services for contractor's proposal being considered in negotiating contract or any contract modification when the purchase action is without competition and exceeds $200,000. The contracting officer may determine and make a part of the contract file a written decision not to utilize the audit services. Such a determination could be based on considerations such as the availability of prior or current data upon which a valid basis for price comparison can be established, or that the exigency of the procurement may preclude the time required in order to utilize the available audit services.

(b) The contracting officer should also use advisory audit services for negotiated procurements regardless of total dollar amount where, in the opinion of the contracting officer, this would be desirable for such reasons as procurement of a new item, complexity of the item, lack of cost experience data, or the sensitive nature of the procurement.

§ 592.811 Record of price negotiation.

The memorandum record of price negotiations shall be maintained in accordance with the procedures set forth in § 1.311 of this title.

3. In § 595.103–2, revise paragraphs (b) and (f), as follows:

§ 595.103–2 Nonavailability in the United States.

* * * * *

(b) This authority has been successively redelegated to (1) the Director and Assistant Director of Procurement, Office of the Deputy Chief of Staff for Logistics, and (2) to the heads of procuring activities, as defined in § 1.201–14 of this title, with power of redelegation, *Provided, however,* That such authority shall not be redelegated below the level of a Deputy to the Head of a Procuring Activity, Chief of Staff, or a General Officer assigned to procurement and personally selected by the Head of a Procuring Activity except that the Head of a Procuring Activity is hereby authorized to delegate in writing the authority to make such determinations, where the aggregate amount of the purchase does not exceed $10,000, to such contracting officers under his command as he may deem appropriate.

* * * * *

(f) Determinations made by delegates of a procuring activity other than the Head of a Procuring Activity, his Deputy, Chief of Staff, or a General Officer assigned to procurement, will be reviewed by the Head of the Procuring Activity, his Deputy, Chief of Staff, or a principal assistant in the headquarters staff responsible for procurement. Such review will be made not later than during the month following the date of the determination, to assure the propriety and completeness of such determination. The Head of the Procuring Activity will take such corrective action as may be necessary.

4. Add new § 605.556, to read as follows:

§ 605.556 Facilities Contract Form (April 1961).

The contract form set forth below is prescribed for use whenever a separate facilities contract is required under the provisions of § 13.402 of this title.

FACILITIES CONTRACT

This contract entered into this the _____ day of _____ 19__ by and between the United States of America, hereinafter called the Government, represented by the Contracting Officer executing this contract and _____, a corporation organized and existing under the laws of the State of _____ with its principal offices located at _____, hereinafter called the Contractor, pursuant to sections 2304a, [2667]*, 3012, and 4531 [and 2353]** of Title 10 United States Code; [appropriate Department of Defense Appropriations Act, e.g., Title III, Department of Defense Appropriation Act, 1959, Public Law 85–724 (72 Stat. 711, 715–16)]; [and the Act of 28 August 1958, Public Law 85–804, (72 Stat. 972)]***.

Witnesseth that:

Whereas, it is advantageous to the Government [and the Secretary of the Army has determined that it will facilitate the national defense]*** to establish or increase the capacity of the Contractor to deliver supplies and services to the Department of the Army by furnishing certain property to the Contractor and/or by providing for the acquisition of other property by the Contrac-

*To be inserted where rental of Schedule A and/or B facilities is contemplated.

**To be inserted where the authority of 10 U.S.C. 2353 is to be used.

***To be inserted in extraordinary cases where the authority of Public Law 85–804 is required.

tor, title to all of which will remain or be vested in the Government; and

Whereas, the Contractor will use the property in furtherance of designated contracts of the Army and of other Government agencies upon the conditions expressed herein; and

Whereas, the Contractor will not use the property on any work other than for the Government unless authorized by the Contracting Officer and then upon such terms and conditions as are set forth herein; and

Whereas, the Contractor will safeguard and maintain the said property;

Now, therefore, in consideration of their mutual promises the parties hereto do agree as follows:

A. *Definitions.*[1] As used throughout this contract, the following terms shall have the meanings set forth below:

1. The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

2. The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

3. Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

4. The term "facilities" includes real property and rights therein, buildings, structures, improvements, and plant equipment, and also includes where appropriate, raw materials and component parts acquired or manufactured in connection with this contract. It may also include special tooling to which the Government has title.

5. The term "scheduled facilities" includes all "contractor acquired" and "Government furnished" property listed in Schedules A and B.

6. The term "related contracts" includes all supply, research and development and other contracts and subcontracts listed in Schedule D of this contract.

B. *Schedule A Facilities.*[2] 1. The Contractor shall, in accordance with the time schedule set out in Schedule A of this contract, subject to approval by the Contracting Officer and in accordance with such detailed plans and specifications as that officer may require, acquire for resale (and repair and modify if so required), or manufactured for sale to the Government the facilities listed in Schedule A of this contract.

2. Upon completion of manufacture or receipt from its vendor of any Schedule A Facilities, the Contractor will request inspection and final acceptance by the Contracting Officer.

C. *Schedule B Facilities.* The Government shall furnish to the Contractor the facilities listed in Schedule B of this contract. Such facilities shall be made available to the Contractor in accordance with the time schedule set out in Schedule B, or if not so stated, in sufficient time to enable the Contractor to meet the delivery or performance dates in the related contracts, if any, listed in Schedule D hereof. If any such facilities are received by the Contractor in a condition not suitable for the intended use thereof, the Contractor shall, upon receipt of such facilities, notify the Contracting Officer of such fact and, as directed by the Contracting Officer, shall either (i) return such facilities or otherwise dispose of the property for the account of the Government, or (ii) effect necessary repairs or modifications to make the facilities suitable for their intended use. The Contractor may reject facilities provided if unsuitable for use or not reasonably capable of being repaired or modified. In such event, or in the event that timely delivery, prescribed above, of the facilities is not made by the Government, the Contracting Officer administering any related contract affected thereby shall, upon written request of the Contractor, make an equitable adjustment in the delivery or performance dates, or price, or both, and in any other contractual provisions of such contract. Any failure by the parties to agree upon an equitable adjustment shall be resolved in accordance with that article of the related contracts entitled "Disputes". In no event shall the Government be liable for damages or loss of profit by reason of any failure to deliver or delay in delivery of Schedule B facilities or delivery of such facilities in a condition not suitable for their intended use.

D. *Title*—1. *Contractor Acquired Property.* Title to all property purchased by the Contractor for resale to the Government, for the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the Government upon the happening of any event by which title passes from the vendor to the Contractor. The Contractor shall use its best efforts to insure that title to such property passes from the vendor to the Contractor at such time as the Contracting Officer may designate. Title to other property, the cost of which is reimbursable to the Contractor under this contract, shall pass to and vest in the Government upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of processing or use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the Government, in whole or in the percentage prevailing by reason of the clause of the contract entitled "Reimbursement of Allowable Cost", whichever first occurs.

2. *Government-Furnished Property.* Title to all Government Property furnished as Schedule B facilities shall remain in the Government.

3. *Scheduled facilities.* Title to the scheduled facilities shall not be effected by the incorporation or attachment thereof to any property not owned by the Government, nor shall such facilities, or any part thereof, be or become a fixture or lose their identity as personalty by reason of affixation to any realty.

E. *Work.* The Contractor shall, in accordance with the time schedule set out in Schedule C of this contract, subject to approval by the Contracting Officer and in accordance with such detailed plans and specifications as he may require, perform the work specified in Schedule C.

F. *Installation and control.* 1. Except as provided in paragraph 2 below:

a. All scheduled facilities shall be installed and retained by the Contractor at its plant(s) at _____
(Insert location of plant(s))

b. The Contractor shall not mortgage, pledge, assign, transfer, part with possession, or permit the use of such facilities by any third party, and shall not do or suffer anything to be done whereby such facilities may become subject to seizure or levy under execution or attachment proceedings.

2a. The provisions of paragraphs 1a and 1b above shall not preclude temporary use of a portion of such facilities at a location other than the location or locations specified in this Clause F, with the written consent of the Contracting Officer,

(i) By the Contractor; or

(ii) By a Subcontractor, in cases where the nature and value of the equipment concerned and the period of use contemplated do not warrant entering into a separate facilities contract with the Subcontractor; provided, however, that the contractor shall remain responsible to the Government to maintain the property control records required by this contract, and shall be responsible for including in its contract with such Subcontractor terms and conditions fully protecting the interests of the Government in the Government property concerned. Such terms shall include without limitation provisions requiring the Subcontractor to operate and maintain the property in the manner required by this contract and, unless the Contracting Officer approves the inclusion of other terms,[3] holding the Subcontractor liable for loss or destruction of or damage to Government property in the possession or control of such Subcontractor and provisions authorizing Government inspection as set forth herein.

b. Should it be found desirable that all or any portion of the facilities be installed in the plant of a Subcontractor under circumstances not falling within (ii) above, or that facilities falling within the definition of nondisposable nonseverable facilities in Section 13–406.1 of ASPR be installed in the plants of such a Subcontractor, it is the intention of the Government to modify this contract accordingly by supplemental agreement and to execute directly with such Subcontractor an agreement concerning such facilities.

G. *Changes in scheduled facilities—1. Change orders and notices of termination.* The Contracting Officer may at any time:

a. By written Change Order add to or substitute for the facilities listed in Schedules A and B, and

b. By written Notice of Termination.

(i) Direct the diversion of any of the scheduled facilities to the Government or to third parties, and

(ii) Direct the assignment to the Government or to third parties of purchase orders or subcontracts of the Contractor for any property being acquired by the Contractor for use under this contract, and

(iii) Eliminate any (or all) of the scheduled facilities. The Contractor shall, to the extent and under such conditions as the Contracting Officer shall direct, (1) stop work, (2) make no further commitments, (3) terminate existing commitments, (4) assign the orders and subcontracts so terminated to the Government, or settle the claims arising out of such termination of orders and subcontracts, (5) transfer title to the facilities to the Government. The Contractor shall retain such facilities under the provisions of paragraph 2 of the clause of this contract entitled "Termination and Completion."

Modifications required or made necessary by such change orders or notices of termination will be reflected in a supplemental agreement to this contract. Any dispute arising from such changes or notice of termination under the terms of this contract shall be resolved in accordance with the Article of this contract entitled "Disputes". The Contracting Officer administering any related contract shall, upon written request of the Contractor, make an equitable adjustment in the delivery or performance dates, or price, or both, and in any other affected contractual conditions of such contract. Any failure by the parties to agree upon an equitable adjustment shall be resolved in accordance with the article of the

[1] Additional definitions may be included provided they are not inconsistent with those set forth in this clause.

[2] When both severable and nonseverable facilities are included, they should be listed in separate sections of this schedule.

[3] See Armed Services Procurement Regulation 13–104.2.

related contracts entitled "Disputes". In no event shall the Government be liable for damages or loss of profit by reason of such Change Order or Notice of Termination.

2. *Proposed changes.* a. The Contracting Officer may, but shall not be obligated to, notify the Contractor in advance that consideration is being given to the issuance of a Notice of Termination hereunder in which event the Contractor shall, no later than ten days after receipt of such notice, notify the Contracting Officer whether any binding commitment has been made or expense incurred with respect to the facilities which would be affected by such notice.

b. The Contractor may propose changes in Schedule A and Schedule B whenever it deems such action advisable, but shall continue to carry out its obligations under this contract except to the extent that a Change Order or Notice of Termination issued pursuant to paragraph 1 of this article affects such obligations.

3. The Contractor will furnish to the Contracting Officer copies of all approved revisions of or additions to the schedules, prepared in a format approved by the Contracting Officer, so that his copy of the schedules will include all approved modifications thereof and show a current list of all scheduled facilities covered thereby at all times. Final revision of the schedules, containing all modifications thereof, shall be incorporated in the contract by supplemental agreement upon completion of the work required by this contract.

H. *Reimbursement.* 1. For the performance of Clauses A through G of this contract the Government shall pay to the Contractor the cost thereof determined by the Contracting Officer to be allowable in accordance with the terms of this contract and Part 5 [4] of section XV of the Armed Services Procurement Regulation as in effect on the date of this contract.

2. The Government reserves the right to pay direct to common carriers any and all transportation charges on all scheduled facilities during the course of this contract. Subject to the provisions of this paragraph, the contractor shall be reimbursed for the cost of transportation incurred by him in connection with initial delivery of Schedule B facilities from the Government to the Contractor.

3a. The Contractor agrees that reimbursements hereunder shall not include the cost of premium wage compensation, including overtime work and shift premiums, except to the extent approved in writing by the Secretary or one of his designees appointed in APP 12–102.4, under the determinations required in ASPR 12–102.4.

b. The Contractor shall not be reimbursed for and shall not include as an item of overhead the cost of insurance, or any provision for a reserve, covering the risk of loss of, or damage to, the scheduled facilities, except to the extent required by the Government under any other provision of this contract.

c. The Contractor agrees that reimbursements hereunder shall not include a fee or profit; provided, however, that with respect to facilities manufactured by the Contractor for commercial use or sale, the Government shall pay no more than the lowest price that the Contractor charges any other purchaser including other divisions of the contractor, but provided further that where interdivisional transfers are at cost, provision may be made for reimbursement at a negotiated price.

d. The Contractor agrees that no part of the cost of scheduled facilities in the form of depreciation or amortization nor any charge for the use of such facilities, except such charge as may have been assessed pursuant to clause J3 for use of such facilities on Government contracts and subcontracts, has been or will be included in the price of the end items produced under related contracts, if any.

4. Once each month (or at more frequent intervals, if approved by the Contracting Officer) the Contractor may submit to an authorized representative of the Contracting Officer, in such form and reasonable detail as such representative may require, an invoice or public voucher supported by a statement of cost incurred by the Contractor in the performance of this contract and claimed to constitute allowable cost; provided that where reimbursement is being sought for a facility acquired for resale or manufactured for sale to the Government, ____ signed copies of DD Form 250, evidencing inspection and acceptance by the Government, shall accompany the invoice or voucher.

5. Promptly after receipt of each invoice or voucher and statement of cost, the Government shall, except as otherwise provided in this contract, make payment thereon as approved by the Contracting Officer.

6. At any time or times prior to final payment under this contract, the Contracting Officer may have the invoices or vouchers and statements of cost audited. Each payment theretofore made shall be subject to reduction for amounts included in the related invoice or voucher which are found by the Contracting Officer, on the basis of such audit, not to constitute allowable cost. Any payment may be reduced for overpayments, or increased for underpayments, in preceding invoices or vouchers.

7. On receipt and approval of the invoice or voucher designated by the Contractor as the "completion invoice" or "completion voucher" and upon compliance by the Contractor with all the provisions of this contract (including, without limitation, the provisions relating to patents and the provisions of 8 below), the Government shall promptly pay to the Contractor any balance of allowable cost. The completion invoice or voucher shall be submitted by the Contractor promptly following completion of the work under this contract but in no event later than one (1) year (or such longer period as the Contracting Officer may in his discretion approve in writing) from the date of such completion.

8. The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor or any assignee under this contract shall be paid by the Contractor to the Government, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract. Reasonable expenses incurred by the Contractor for the purpose of securing such refunds, rebates, credits, or other amounts shall be allowable costs hereunder when approved by the Contracting Officer. Prior to final payment under this contract, the Contractor and each assignee under this contract whose assignment is in effect at the time of final payment under this contract shall execute and deliver:

(i) An assignment to the Government, in form and substance satisfactory to the Contracting Officer, of refunds, rebates, credits, or other amounts (including any interest thereon) properly allocable to costs for which the Contractor has been reimbursed by the Government under this contract; and

(ii) A release discharging the Government, its officers, agents, and employees from all liabilities, obligations, and claims arising out of or under this contract, subject only to the following exceptions:

(A) Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor;

(B) Claims, together with reasonable expenses incidental thereto, based upon liabilities of the Contractor to third parties arising out of the performance of this contract; provided that such claims are not known to the Contractor on the date of the execution of the release; and provided further that the Contractor gives notice of such claims in writing to the Contracting Officer not more than six (6) years after the date of the release or the date of any notice to the Contractor that the Government is prepared to make final payment, whichever is earlier; and

(C) Claims for reimbursement of costs (or other expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under the provisions of this contract relating to patents.

9. The Contractor shall give the Government or its representatives immediate notice of any suit or action filed, or prompt notice of any claim made, against the Contractor arising out of the performance of Clauses A through G of this contract, the cost and expense of which may be reimbursable to the Contractor under the provisions of this contract. The Contractor shall furnish immediately to the Government copies of all pertinent papers received by the Contractor, and shall, if required by the Government, authorize representatives of the Government to settle or defend any such claim and to represent the Contractor in or take charge of any litigation in connection therewith, provided, however, that the Contractor may, at its own expense, be associated with the representatives of the Government in the settlement or defense of any such claim or litigation.

I. *Limitation of costs.* 1. It is estimated that the total cost to the Government for the performance of this contract will not exceed the estimated cost of $_____, and the Contractor agrees to use its best efforts to perform work specified in this contract and all obligations under this contract within such estimated cost. If at any time the Contractor has reason to believe that the costs which it expects to incur in the performance of this contract in the next succeeding thirty (30) days, when added to all cost previously incurred, will exceed eighty-five percent (85%) of the estimated cost then set forth herein, or if at any time the Contractor has reason to believe that the total cost to the Government for the performance of this contract will be substantially greater or less than the then estimated cost thereof, the Contractor shall notify the Contracting Officer in writing to that effect, giving its revised estimate of such total cost for the performance of this contract.

2. The Government shall not be obligated to reimburse the Contractor for costs incurred in excess of the estimated cost set forth herein, and the Contractor shall not be obligated to continue performance under the contract or to incur costs in excess of the estimated cost set forth herein, unless and until the Contracting Officer shall have notified the Contractor in writing that such estimated cost has been increased and shall have specified in such notice a revised estimated cost which shall thereupon constitute the estimated cost of performance of this contract. When and to the extent that the estimated cost set forth herein has been increased, any costs incurred by the Contractor in excess of such estimated cost prior to the increase in estimated cost shall be allowable to the same extent as if such costs had been incurred after such increase in estimated cost.

J. *Use and charges.* 1. The scheduled facilities may be used only as provided in paragraph[s] 2 [and 3] of this clause. Use of the scheduled facilities under paragraph

[4] Pending publication of Part 5, substitute [Part 2], [Parts 2 and 4], or [Part 3], as applicable.

2 will be on a no-charge basis. [Use under paragraph 3 will be on a charge basis.]

2. The Contractor may use the scheduled facilities on a no-charge basis in the performance of each Government contract and subcontract listed in paragraph 1 of Schedule D, added thereto by amendment, or approved in writing by the Contracting Officer cognizant of this facilities contract. Only those contracts may be listed or approved which by their terms authorize a no-charge use and only those subcontracts may be listed or approved concerning which the Contracting Officer administering the prime contract has approved a no-charge use. The Contractor agrees that no charge for the use of scheduled facilities shall be included in the price or prices of the contracts and subcontracts in the performance of which use on a no-charge basis is authorized.

3. The Contractor may use the scheduled facilities on a charge basis [in the performance of each Government contract and subcontract listed in paragraph 2 of Schedule D, added thereto by amendment, or approved in writing by the Contracting Officer cognizant of the facilities contract, for a term commencing on _____ and terminating on _____,] [and] [for work other than on the contracts and subcontracts listed in Schedule D (incidental commercial use) for a term commencing on _____ and terminating on _____. The scheduled facilities shall not be used to perform work which interferes materially with performance of the Government contracts and subcontracts listed in Schedule D.]

a. Use charges or rental (hereinafter referred to as "rental") for such of the scheduled facilities as are subject to section 13-601.2(i) of the Armed Services Procurement Regulation shall be at the rates established by said section applied to the acquisition cost of the facilities determined in accordance with said section and stated in Schedule E. (On January 1 following the date of manufacture of each facility, such facility shall be considered one year old, and on each succeeding January 1 it shall become one year older.) Rental for facilities not subject to ASPR 13-601.2(i) shall be as set forth in Schedule E. The rental shall be computed on the basis of periods of __ month[s] each, the first period to begin _____.

b. The full charge for each facility for each period shall be reduced by a credit for the amount of such rental which would be properly allocable to Government contracts and subcontracts on which the use of such facility without charge is authorized. Such credit shall be computed by multiplying the full rental for the period by a fraction whose numerator is the amount of use of the Government facility by the Contractor on a no-charge basis during such period and whose denominator is the total amount of use of the facility by the Contractor both on a rental and no-charge basis during such period. The method of determining the amount of use on a rental and on a no-charge basis, and any grouping of more than one facility into a unit for purposes of applying the above formula are both set forth in Schedule E.

c. The Contractor shall submit to the Contracting Officer, within _____ days after the close of each period, a detailed statement of the uses made of the scheduled facilities for the purpose of computing the rental together with a computation of rentals considered by the Contractor to be due and payable under this contract. This statement shall be supported by such records and other documented information as are determined by the Contracting Officer to be necessary to insure accurate computation of the rental due. The Contracting Officer shall, upon receipt of the statement and the supporting records and documentation, determine the proper rental for the use made of the scheduled facilities in accordance with the foregoing provisions of this clause.

d. Failure of the Contractor to submit the statement or required supporting records and documentation within the time provided therefor shall, subject to subparagraph e below, make the Contractor liable for the full rental for the facilities for the period.

e. If the failure of the Contractor to submit the statement or the required supporting records and documentation arose out of causes beyond the control of the Contractor and without the fault or negligence of the Contractor, the Contracting Officer, in writing, shall grant a reasonable extension of time to make the submission, or where applicable shall wave the delay in making the submission.

f. Payment of rental, as determined by the Contracting Officer, shall be made promptly by the Contractor upon receipt of written notice furnished by the Contracting Officer of the rental amount due. Payment shall be made by check payable to the Treasurer of the United States and shall be mailed or delivered to the Contracting Officer.

g. If and to the extent that any facility which is authorized for use on a rental basis is later made taxable by State or local governments under an act of Congress, this clause shall be renegotiated.

h. The Contractor may terminate his right to use all or any part of the facilities under this paragraph 3 without further liability therefor, effective the last day of any rental period, provided written notice of such termination is given not less than __ days prior thereto.

4. The Contractor agrees to give priority in the use of scheduled facilities on Government contracts and subcontracts in accordance with the chronological order in which such contracts and subcontracts were listed in Schedule D or approved in writing by the Contracting Officer cognizant of this facilities contract or as the Contracting Officer may otherwise direct.

5. If the Contractor uses any or all of the scheduled facilities at a time when authority for such use is not expressly provided for herein, the actual damage to the Government for such use will be difficult or impossible to determine. Therefore in lieu of actual damages the Contractor shall pay to the Government as liquidated damages for each month in which such use occurs a sum to be calculated as follows: For such of the scheduled facilities as are subject to section 13-601.2(i) of the Armed Services Procurement Regulation an amount equal to the acquisition cost of each facility so used, determined in accordance with said section and stated in Schedule E, multiplied by the monthly rate established by said section for that facility, and for such of the facilities as are not subject to ASPR 13-601.2(i) the amount set forth in Schedule E for each facility so used. The rights herein accorded to the Government shall not be exclusive, and shall be in addition to any other rights or remedies provided by law or under this contract.

6. The Contractor shall have a right to appeal under the article of this contract entitled "Disputes" from any determination with respect to rental or liquidated damages made by the Contracting Officer under this Article.

K. *Maintenance and repair.* The Contractor shall, subject to the clause of this contract entitled "Liability For The Facilities", establish and submit for approval of the contracting officer by _____, and carry out upon approval of the contracting officer, without cost to the Government hereunder, a program, in accordance with sound industrial practice unless more specifically stated herein, for the proper protection, preservation, maintenance and repair of the scheduled facilities, including normal parts replacement; provided however, that repairs, replacements, and restoration in excess of the approved program shall be performed only when directed by the Contracting Officer and, subject to the clause of this contract entitled "Liability For The Facilities", the Contractor shall be reimbursed for the cost thereof under and subject to the clause of this contract entitled "Reimbursement". Title to replacement scheduled facilities shall vest in the Government in the manner prescribed in the clause of this contract entitled "Title"; title to replaced scheduled facilities shall remain in the Government.

L. *Liability for the facilities.* 1. The Contractor shall not be liable for any loss or damage to the scheduled facilities, or for expenses incidental to such loss or damage, except that the Contractor shall be responsible for any such loss or damage (including expenses incidental thereto) which results from:

(i) A risk expressly required to be insured under this contract, but only to the extent of the insurance so required to be procured and maintained, or to the extent of insurance actually procured and maintained whichever is greater;

(ii) A risk which is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of said insurance or reimbursement;

(iii) Willful misconduct or lack of good faith on the part of any of the Contractor's directors or officers or on the part of any of its managers, superintendents, or other equivalent representatives, who have supervision or direction of (A) all or substantially all of the Contractor's business, or (B) all or substantially all of the Contractor's operations at the industrial facility if such facility is a complete plant or unit, or (C) all or substantially all of the Contractor's operations at any one plant or separate location in which such industrial facilities are installed or located, or (D) any separate or complete major industrial operation in connection with which the facilities are used; or

(iv) From a failure on the part of any of the Contractor's directors, officers, or other representatives mentioned in (iii) above, (A) to maintain and administer, in accordance with sound industrial practices, a program for the maintenance, repair, protection, and preservation of the scheduled facilities, so as to insure their full availability and usefulness at all times or (B) to take all reasonable steps to comply with any appropriate written directions or instructions which the Contracting Officer may prescribe as reasonably necessary for the protection of the scheduled facilities, provided that, with respect to any such loss or damage caused by the excepted peril, the Contractor shall be liable under this subparagraph (iv) only where such failure of the Contractor's representative, as set forth herein, results from his willful misconduct or lack of good faith. As used herein, the term "excepted peril" shall mean any peril set forth below:

(I) Fire; lightning; windstorm, cyclone, tornado, hail; explosion; riot, riot attending a strike, civil commotion; vandalism and malicious mischief; sabotage; aircraft or objects falling therefrom; vehicles running on land or tracks, excluding vehicles owned or operated by the Contractor or any agent or employee of the Contractor; smoke; sprinkler leakage; earthquake or volcanic eruption; flood, meaning thereby rising of a body of water; hostile or warlike action, including action in hindering, combating or defending against an actual, impending or expected attack by any Government or sovereign power (de jure or de facto), or by any authority using military, naval, or air forces, or by an agent of any such Government, power, authority, or forces, or

(II) Other peril, of a type not listed above, if such other peril is customarily covered by

insurance (or by a reserve for self-insurance) in accordance with the normal practice of the Contractor, or the prevailing practice in the industry in which the Contractor is engaged with respect to similar property in the same general locale; provided that, if more than one of the above exceptions shall be applicable in any case, the Contractor's liability under any one exception shall not be limited by any other exception. This clause shall not be construed as relieving a Subcontractor hereunder from liability for loss or destruction of or damage to facilities in its possession or control, except to the extent that the subcontract, with the prior approval of the Contracting Officer, may provide for the relief of the Subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provision requiring the return of all facilities in as good condition as when received except for reasonable wear and tear or for the utilization of the property in accordance with the provisions of the prime contract.

2. Upon the happening of loss or destruction of or damage to any facilities, the Contractor shall notify the Contracting Officer thereof, and shall communicate with the loss and salvage organization, if any, now or hereafter designated by the Contracting Officer, and with the assistance of the loss and salvage organization so designated (unless the Contracting Officer has directed that no such organization be employed), shall take all reasonable steps to protect the facilities from further damage, separate the damaged and undamaged facilities, put all the facilities in the best possible order, and furnish the Contracting Officer a statement of: (A) The lost, destroyed and damaged facilities, (B) the time and origin of the loss, destruction or damage, (C) all known interest in commingled property of which the facilities are a part, and (D) the insurance, if any, covering any part of or interest in such commingled property. The Contractor shall be reimbursed for the cost of performance under this subparagraph (including charges made to the Contractor by the loss and salvage organization, except any such charges the payment of which the Government has, at its option, assumed directly) under and subject to the clause of this contract entitled "Reimbursement".

3. The Contractor shall, if so directed by the Contracting Officer,

(i) Replace or repair, pursuant to the clause of this contract entitled "Maintenance and Repair", any facilities which have been lost, destroyed, or damaged.

(ii) Use its best effort to sell for the account of the Government, under such conditions as are authorized by the Contracting Officer, any facilities which have been damaged beyond practicable repair, or which are so commingled or combined with property of others, including the Contractor, that separation is impracticable.

(iii) Retain any damaged facilities pursuant to paragraph 2 of the clause of this contract entitled "Termination and Completion".

4. The Government is not obligated to direct the replacement or repair of facilities which have been lost, destroyed or damaged, but in such event an equitable adjustment shall be made in the delivery or performance dates, or price, or both, and in any other contractual condition of the related contracts affected thereby. Any failure of the parties to agree upon such equitable adjustment shall be resolved in accordance with the article of the related contracts entitled "Disputes".

5. Except to the extent of any loss or destruction of or damage to the facilities for which the Contractor is relieved of liability under the foregoing provisions of this clause, the scheduled facilities (other than property permitted to be sold) shall be returned to the Government or otherwise disposed of under the clause of this contract entitled "Termination and Completion" in as good condition as when received by the Contractor under this contract, as subsequently improved or as they should have been subsequently improved under the terms of this contract, less ordinary wear and tear.

6. In the event the Contractor is reimbursed or compensated for any loss or destruction of or damage to the scheduled facilities, it shall equitably reimburse the Government. The Contractor shall do nothing to prejudice the right of the Government to recover against third parties for any such loss, destruction or damage and, upon the request of the Contracting Officer, shall at the expense of the Government, furnish to the Government all reasonable assistance and cooperation in obtaining recovery (including the execution of instruments of assignment in favor of the Government and the prosecution of suit).

M. *Insurance.* The Contractor shall carry workmen's compensation, employer's liability, bodily injury liability, and such other insurance as the Contracting Officer shall direct in accordance with Part 6 of section X of the Armed Services Procurement Regulation, and shall be reimbursed for the costs of such insurance under and subject to the clause of this contract entitled "Reimbursement", provided, however that when the scheduled facilities are in use on one or more Government contracts, but not on either subcontracts or incidental commercial production, the Contractor may carry only such insurance as is required under such contracts.

N. *Liability for third party claims.* The Contractor shall not be reimbursed hereunder, and shall hold the Government harmless against claims for injury to persons or damage (except for patent infringement)[5] to property of the Contractor or others arising from the Contractor's possession or use of the scheduled facilities, except that any claim arising out of or related to the performance of any related contract and involving the possession and use of the facilities shall be governed by the provisions of such contract.

O. *Records.* 1a. The Contractor shall, without cost to the Government hereunder, maintain adequate property control records of all scheduled facilities and a system of identification thereof in accordance with the requirements of the "Manual for Control of Government Property in the Possession of Contractors" (Appendix B or C (as appropriate), Armed Services Procurement Regulation) as in effect on the date of this contract. This "manual" is hereby incorporated by reference and made a part of this contract.

b. The Contractor shall, without cost to the Government hereunder, maintain books, records, documents and other evidence pertaining to the costs and expenses of this contract (hereinafter collectively called the "records") to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which reimbursement is claimed, under the provisions of this contract. The Contractor's accounting procedures and practices shall be subject to the approval of the Contracting Officer; provided, however, that no material change will be required to be made in the Contractor's accounting procedures and practices if they conform to generally accepted accounting practices and if the costs properly applicable to this contract are readily ascertainable therefrom.

c. The Contractor agrees to make available at the office of the Contractor at all reasonable times during the period set forth in subparagraph e below any of the records for inspection, audit or reproduction by any authorized representative of the Department or of the Comptroller General.

d. In the event the Comptroller General or any of his duly authorized representatives determines that his audit of the amounts reimbursed under this contract as transportation charges will be made at a place other than the office of the Contractor, the Contractor agrees to deliver, with the reimbursement voucher covering such charges or as may be otherwise specified within two years after reimbursement of charges covered by any such voucher, to such representative as may be designated for the purpose through the Contracting Officer such documentary evidence in support of transportation costs as may be required by the Comptroller General or any of his duly authorized representatives.

e. Except for documentary evidence delivered to the Government pursuant to subparagraph d above, the Contractor shall preserve and make available its records for a period of three years (unless a longer period of time is provided by applicable statute or by any other clause in this contract) from the date of the voucher or invoice submitted by the Contractor after the completion of the work under the contract and designated by the Contractor as the "completion voucher" or "completion invoice" or, in the event this contract has been completely terminated, from the date of the termination settlement agreement; provided, however, that records which relate to (A) appeals under the clause of this contract entitled "Disputes", (B) litigation or the settlement of claims arising out of the performance of this contract, or (C) cost or expenses of the contract as to which exception has been taken by the Comptroller General or any of his duly authorized representatives, shall be retained by the Contractor until such appeals, litigation, claims, or exceptions have been disposed of, but in no event for less than the three-year period mentioned above.

f. Except for documentary evidence delivered pursuant to subparagraph d above, and the records described in the proviso of subparagraph e above, the Contractor may in fulfillment of its obligation to retain its records as required by this clause substitute photographs, microphotographs, or other authentic reproductions of such records, after the expiration of two years following the last day of the month of reimbursement to the Contractor of the invoice or voucher to which such records relate, unless a shorter period is authorized by the Contracting Officer with the concurrence of the Comptroller General or his duly authorized representative.

g. The provisions of this paragraph 1, including this subparagraph g, shall be applicable to and included in each subcontract hereunder which is on a cost, cost-plus-a-fixed-fee, time-and-material or labor-hour basis.

2. The Contractor further agrees to include in each of his subcontracts hereunder, other than those set forth in subparagraph g above, a provision to the effect that the Subcontractor agrees that the Comptroller General or the Department, or any of their duly authorized representatives, shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such Subcontractor involving transactions related to the subcontract. The term "subcontract", as used in this paragraph 2 only, excludes (i) purchase orders not exceeding $2,500 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

P. *Inspection.* The scheduled facilities and the work done in the performance of this contract shall be accessible at all reason-

[5] Parenthetical phrase is to be inserted where a patent indemnity clause is not included.

able times for inspection, test and inventory by the Government. The Government may within a reasonable time require the Contractor to correct or replace any facilities acquired or manufactured by the Contractor and any work under this contract which are defective or not in conformity with the requirements of this contract. In the course of inspection the Contracting Officer may remove such items as are not authorized hereunder and determine compliance with the terms of the contract. The Contractor shall be reimbursed for the cost of such corrections and replacements under and subject to the clause of this contract entitled "Reimbursement", except that the Contractor shall not be reimbursed under this or other Government contracts for the cost of all such corrections and replacements which the Contracting Officer determines could have been avoided by reasonable diligence on the part of the Contractor or Subcontractor.

Q. *Contractor's representative.* The Contractor shall at all reasonable times keep at the site of the work a duly authorized representative who shall receive and execute on the part of the Contractor, such notices, directions, and instructions as the Contracting Officer may issue under the terms of this contract.

R. *Registration and filing.* Upon demand by the Contracting Officer, the Contractor shall cause a copy of this contract, including the attachments thereto as may be designated by the Contracting Officer, to be registered or filed in accordance with the provisions of any applicable state law so that the Government's title to the scheduled facilities shall be fully protected; provided, that if this contract includes classified material, only such part or parts thereof as shall be indicated by the Contracting Officer shall be filed. The cost of such filing shall be reimbursed hereunder.

S. *Permits and licenses.* The Contractor shall procure all necessary permits and licenses; obey and abide by all applicable laws, regulations and ordinances and other rules of the United States of America, of the state, territory, or subdivisions thereof wherein the work is done, or of any other duly constituted public authority.

T. *Termination and completion.* 1. a. The Government may terminate or limit the right of the Contractor to use any or all of the facilities. Such termination shall be effected by delivery to the Contractor of a written notice of termination specifying the extent to which the right to use is terminated or limited and the effective date of such termination. An equitable adjustment shall be made in the delivery or performance dates, or price, or both, and in any other contractual condition of the related contracts affected thereby. In no event shall the Government be liable for damages or loss of profit by reason of such termination. Any failure by the parties to agree upon such equitable adjustment shall be resolved in accordance with the article of the related contracts entitled "Disputes".

b. The Contractor may terminate this contract with respect to all the facilities by delivery to the Government of a written notice specifying the effective date of such termination, or may by agreement with the Contracting Officer terminate this contract with respect to a substantial portion of the facilities. Termination at the option of the Contractor shall not relieve the Contractor of any of its obligations or liabilities under any other Government contract.

c. The Contractor shall within __ days of the effective date of a termination under subparagraph a or b of this paragraph 1, deliver to the Contracting Officer a full accounting of all facilities with respect to which the contract is terminated, and shall retain such facilities without cost under this or other Government contracts, subject to the provisions of paragraphs 3 through 7 of this Clause T, for a period of 90 days from the date of receipt of such accounting by the Government. This period may be extended by agreement of the parties.

2. Within 30 days after any facility is determined by the Contractor to be no longer needed for the performance of the related contracts, the Contractor shall notify the Contracting Officer thereof in writing and shall retain such facility without cost under this or other Government contracts, subject to the provisions of paragraphs 3 through 7 of this Clause T, for a period of 90 days from the date of receipt of such notice by the Government. This period may be extended by agreement of the parties.

3. The Contractor shall retain the facilities designated in paragraphs 1c and 2 of this Clause T in its plant or, if such retention would materially impair the use thereof, at any other places selected by the Contractor with the written consent of the Contracting Officer; provided that such facilities shall be retained in such a manner that they can be re-installed in the production line within a reasonable time and shall be adequately protected against the elements and deterioration.

4. Prior to the expiration of any 90-day retention period or extension thereof arising under paragraph 1c or 2 of this Clause T, the Contracting Officer shall direct the disposition of all facilities so retained and may, at any time subsequent to the delivery or receipt of a notice under paragraph 1 or 2 of this Clause T, direct disposition of any facilities covered by such notice.

5. The Contractor shall, when so directed by the Contracting Officer under paragraph 4 of this Clause T,

(i) Dismantle, prepare for shipment, and load such facilities as are designated by the Contracting Officer on a common carrier at the Contractor's plant in accordance with instructions furnished by the Contracting Officer.

(ii) Store such facilities as are designated by the Contracting Officer, for a period not exceeding six months, and then ship them in accordance with instructions furnished by the Contracting Officer. Such facilities shall be stored (A) in the plants where then located or in other of the Contractor's plants in the same locality if space therein is available and storage will not materially impair the use of such plants, or (B) at any other places selected by the Contractor with the written consent of the Contracting Officer, or (in the event such other places cannot be obtained by the Contractor) (C) at any places selected by the Contracting Officer.

(iii) Retain such of the facilities which were the subject of a notice under paragraph 2 of this Clause T as are designated by the Contracting Officer under such conditions and for so long as the Contracting Officer may direct, but in no event longer than all of the other facilities.

(iv) Use its best efforts to sell (as contract inventory) such facilities as are designated by the Contracting Officer in the manner, at the times, at the price or prices and under such other conditions as are authorized by the Contracting Officer, provided, however, that the Contractor (A) shall not be required to extend credit to any purchaser, and (B) may acquire any such property under the conditions prescribed by and at a price or prices approved by the Contracting Officer, and provided further, that the proceeds of any such transfer or acquisition shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract or shall otherwise be credited to the price or cost of the work covered by this contract or paid in such other manner as the Contracting Officer may direct.

6a. The cost of retaining any facilities during a 90-day period or extension thereof as required by paragraph 1c or 2 shall not be reimbursed under this or other Government contracts.

b. The Contractor shall be reimbursed for the cost of other performance under this clause under and subject to the clause of this contract entitled "Reimbursement", provided, however, that the parties may negotiate a supplemental agreement to this contract providing for the payment of a fixed sum or sums agreed upon as representing the reasonable cost of such performance. With respect to facilities which were the subject of a Notice of Termination under the clause of this contract entitled "Changes in Scheduled Facilities", such supplemental agreement may provide for the payment of a sum representing the cost of performance under both the clause of this contract entitled "Changes in Scheduled Facilities" and this clause entitled "Termination and Completion".

7. The parties may at any time provide for an alternate disposition of the facilities, authorized by then existing law and regulations, in a supplemental agreement to this contract modifying this "Termination and Completion" clause.

8. The Government shall not be under any obligation to restore or rehabilitate or to pay the costs of the restoration or rehabilitation of any part of the Contractor's property affected by the installation or removal of any of the facilities. The Government shall have the right to abandon in place of any of the facilities or any part of the facilities, and upon written notice to the Contractor of such abandonment, all obligations of the Government regarding such facilities shall cease.

U. *Advance notice of completion of use.* The Contractor shall give the Contracting Officer six months advance notice of the date when any of the facilities are expected to be no longer needed for performance of Government contracts or subcontracts.

V. *General Provisions.*

1. *Assignment of Claims.* (ASPR 7-103.8)
2. *Officials not to Benefit.* (ASPR 7-103.19)
3. *Covenant against Contingent Fees.* (ASPR 7-103.20)
4. *Gratuities.* (ASPR 7-104.16)
5. *Utilization of Small Business Concerns.* (ASPR 7-104.14)
6. *Utilization of Concerns in Labor Surplus Areas.* (ASPR 7-104.20)
7. *Buy American Act.* (ASPR 6-104.5)
8. *Nondiscrimination in Employment.* (ASPR 12-802)
9. *Convict Labor.* (ASPR 12-203)
10. *Eight-Hour Law of 1912—Overtime Compensation.* (ASPR 12-303.1)
11. *Walsh-Healey Public Contracts Act.* (ASPR 12-604) (When applicable)
12. *Labor Standards.* (ASPR 12-403.1) (When applicable)
13. *Notice to the Government of Labor Disputes.* (ASPR 7-104.4) (When applicable)
14. *Military Security Requirements.* (ASPR 7-104.12 and 7-204.12) (When applicable)
15. *Plant Protection.* (APP 7-150.2b) (When appropriate)
16. *Notice and Assistance Reporting Patent Infringement.* (ASPR 9-104) (When applicable)
17. *Reporting of Royalties.* (ASPR 9-110) (When applicable)
18. *Patent Indemnity.* (ASPR 9-103.1) (When applicable)
19. *Authorization and Consent.* (ASPR 9-102.1)
20. *Basic Data Clause.* (ASPR 9-203.1) (When applicable)
21. *Disputes.* (ASPR 7-103.12)
22. *Renegotiation.* (ASPR 7-103.13)
23. *Alterations in contract.* (ASPR 7-205.1) (When applicable.)

[C 29, APP, February 8, 1961, and C 30, APP, April 21, 1961] (Sec. 3012, 70A Stat. 157; 10 U.S.C. 3012. Interpret or apply secs. 2301–2314, 70A Stat. 127–133; 10 U.S.C. 2301–2314)

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

[F.R. Doc. 61–4412; Filed, May 12, 1961; 8:45 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

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

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2363]

[Colorado 028983]

COLORADO

Correction

Correcting Public Land Order No. 2302 of March 14, 1961:

That portion of the land description for the Western Box Campground appearing at 26 F.R. 2283 (March 18, 1961), which reads "N½S½SE¼" is hereby corrected to read "N½S½NE¼."

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

MAY 9, 1961.

[F.R. Doc. 61–4418; Filed, May 12, 1961; 8:45 a.m.]

Proposed Rule Making

FEDERAL POWER COMMISSION

[18 CFR Parts 125, 225]

[Docket No. R-195]

PRESERVATION OF RECORDS OF PUBLIC UTILITIES, LICENSEES AND NATURAL GAS COMPANIES

Notice of Proposed Rule Making

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

2. It is proposed to amend, Part 125—Preservation of Records of Public Utilities and Licensees, of Subchapter C—Accounts, Federal Power Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations to prescribe revised regulations governing the preservation of records of public utilities and licensees. It is also proposed to create a new Part 225—Preservation of Records of Natural Gas Companies, of Subchapter F—Accounts, Natural Gas Act, of Chapter I—Federal Power Commission, Title 18—Conservation of Power, of the Code of Federal Regulations, to prescribe regulations governing the preservation of records of natural gas companies required to follow the Commission's Uniform System of Accounts for Natural Gas Companies. The proposed regulations governing the preservation of records of public utilities, licensees, and natural gas companies would be reproduced physically in Part 125, of Subchapter C of Title 18 of the Code of Federal Regulations with reference thereto in the newly created Part 225—Preservation of Records of Natural Gas Companies, of Subchapter F of that title.

3. The aforesaid Part 125 of said title and Code corresponds to and appears at, pages v–x and 1–27 of the Commission's pamphlet publication of its Regulation to Govern the Preservation of Records of Public Utilities and Licensees, effective August 1, 1938, with amendments effective January 1, 1956, as amended by Order No. 156 issued October 17, 1950 (15 F.R. 7471, November 7, 1950), and Order No. 181 issued December 13, 1955 (20 F.R. 9491, December 17, 1955). Initially the said Regulations to Govern Preservation of Records of Public Utilities and Licensees were prescribed by Commission Order No. 54 of August 30, 1938, effective August 1, 1938 (3 F.R. 2421, October 8, 1938) as amended by Order No. 140 issued November 10, 1947 (12 F.R. 7626, November 15, 1947), and was contained in the codification and reissuance of the Commission's general rules promulgated by Commission Order No. 141, December 11, 1947 effective January 1, 1948 (12 F.R. 8577, December 19, 1947). The proposed revision does not follow the numbering system employed in the Code of Federal Regulations but follows the numbering system (Description of Records, Period to be Retained, etc.) used in the Commission's pamphlet edition, referred to above.

4. Important developments in the electric industry since the adoption in 1938 of the Regulations to Govern the Preservation of Records of Public Utilities and Licensees and the Commission's experience of the last 23 years indicate the need for the revision now being proposed. The regulations proposed herein reflect a thorough review by the staff of records retention requirements in the light of changing regulatory and management methods, including the recent increase in the use of machine accounting methods.

5. In the past this Commission has not had regulations governing the preservation of books and records by natural gas companies. General Instruction 2(c) of this Commission's Revised Uniform System of Accounts Prescribed for Natural Gas Companies effective January 1, 1961, provides that no natural gas company shall destroy books or records unless the destruction thereof is permitted by the Commission's rules and regulations. The proposed Regulations to Govern Preservation of Records of Natural Gas Companies will relieve these natural gas companies of the duty to keep their records for an indefinite period of time.

6. The general purpose of the revision of the Regulations to Govern the Preservation of Records of Public Utilities and Licensees is to incorporate additions, deletions, condensations, editorial clarifications, and general improvements in textual material, all as indicated to be necessary and desirable from our experience with the present Regulations to Govern the Preservation of Records, without change in basic principles. We regard those principles to be equally applicable to record retention and preservation in the natural gas industry. The more important revisions may be stated briefly as follows:

(a) Provision in many cases shortening the retention period for certain types of records which are particularly voluminous;

(b) Liberalized usage of microfilming as a substitute for retention of original records;

(c) Provision for reproduction of maps and other documents in reduced form;

(d) Provision for automatic data processing of certain records; and

(e) Improvement and simplification in the record retention requirements applicable to records acquired as the result of the acquisition of property by purchase, consolidation, merger, or other means.

7. The proposed Regulations to Govern the Preservation of Records of Public Utilities, Licensees, and Natural Gas Companies, conforms basically to the Regulations adopted by the Annual Convention of the National Association of Railroad and Utility Commissioners earlier this year, except that those regulations are also applicable to "water utilities" a class of utility not subject to this Commission's jurisdiction.

8. The appended proposed revised Regulations to Govern the Preservation of Records of Public Utilities and Licensees and the proposed Regulations to Govern the Preservation of Records of Natural Gas Companies are proposed to be issued under the authority granted the Federal Power Commission by the Federal Power Act, as amended, particularly Sections 301, 304, and 309 thereof (49 Stat. 854, 855, and 858; 16 U.S.C. 825, 825c, and 825h), and by the Natural Gas Act, as amended, particularly Sections 8, 10, and 16 thereof (52 Stat. 821, 825, and 826; 15 U.S.C. 717g, 717i, and 717o).

9. Any interested person may submit to the Federal Power Commission not later than June 19, 1961, data, views, and comments in writing concerning the proposed Regulations to Govern the Preservation of Records. An original and 9 copies should be filed with any such submittals. The Commission will consider these written submittals before acting on the proposed regulations.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

MAY 10, 1961.

REGULATIONS TO GOVERN THE PRESERVATION OF RECORDS OF PUBLIC UTILITIES, LICENSEES AND NATURAL GAS COMPANIES

General Instructions

A. *Scope of these regulations.* 1. These regulations apply to all books of account and other records prepared by or on behalf of the public utility. See Item 72 of the schedule for those records which come into possession of the public utility in connection with the acquisition of property, such as purchase, consolidation, merger, etc.

2. These regulations shall not be construed as excusing compliance with any other lawful requirement for the preservation of records for periods longer than those prescribed herein.

3. Unless otherwise specified in the annexed schedule, duplicate copies of records may be destroyed at any time, provided, however, that such duplicate copies contain no significant information not shown on the originals.

4. Records other than those listed in the annexed schedule may be destroyed at the option of the public utility, provided, however, that records which are used in lieu of those listed shall be preserved for the periods prescribed for the records used for substantially similar purposes and, provided further, that retention of records pertaining to added services, functions, plant, etc., the establishment of which cannot be presently foreseen, shall conform to the principles embodied herein.

B. *Designation of supervisory official.* Each public utility subject to these regulations shall designate one or more persons with official responsibility to supervise the utility's program for preservation and the authorized destruction of its records.

C. *Protection and storage of records.* The public utility shall provide reasonable protection for records subject to these regulations from damage by fires, floods, and other hazards and, in the selection of storage spaces, safeguard the records from unnecessary exposure to deterioration from excessive humidity, dryness, or lack of proper ventilation.

D. *Index of records.* At each office of the public utility where records are kept or stored, such records as are herein required to be preserved shall be so arranged, filed and currently indexed that they may be readily identified and made available to representatives of the Commission.

E. *Preservation of records on microfilm.* 1. As indicated in Schedule of Records and Periods of Retention, certain records may be microfilmed and the film retained in lieu of the original records, provided the procedures prescribed herein are followed.

2. Indicators are used in the schedule to designate those records for which microfilms will be accepted in lieu of the original records. These indicators, which are listed in the schedule in the column marked "Microfilm Indicators", are as follows:

M—Indicates that microfilms may be substituted for retention of the original records at any time after the use of the records for current recording purposes has been discontinued.

M 10, M 6, etc.—Indicates that microfilms may be substituted for retention of the original records only after the original records have been retained in their original form for the number of years corresponding to the numeral, i.e., 10 years, 6 years, etc.

ME—Indicates records for which microfilms may be substituted for retention of the original records only for the period subsequent to the expiration, cancellation, supersedure, or other condition shown in the column, Period to be Retained. Thus, for item 9(e), microfilms are not acceptable for current contracts; however, they are acceptable for expired or canceled contracts, the retention period for which is six years after expiration or cancellation.

3. Absence of any of the "M" indicators explained above indicates that microfilms may not be substituted for retention of the records described.

4. Prior to photographing, the records shall be so prepared, arranged, classified, and identified as readily to permit the subsequent location, examination, and reproduction of the photographs thereof. Any significant characteristic, feature, or other attribute of the original records which photography would not reflect clearly (e.g., that the record is a copy or that certain figures thereon are red) shall be so indicated on the records at the time of such arrangement, classification, and identification. When a number of the records to be microfilmed have in common such a characteristic or attribute, an appropriate notation identifying the characteristic or attribute may be indicated in a statement at the beginning of the roll of film instead of on each individual record.

5. Each roll of film shall include a microfilm of a certificate or certificates stating that the photographs are direct and facsimile reproductions of the original records and that they have been made in accordance with prescribed instructions. Such certificate or certificates shall be executed by a person or persons having personal knowledge of the facts covered thereby.

6. The photographic matter on each roll shall commence and end with a statement as to the nature and arrangement of the records reproduced, the name of the photographer, and the date. Rolls of film shall not be cut. Supplemental or retaken film, whether of misplaced or omitted documents or of portions of a film found to be spoiled or illegible or of other matter, shall be attached to the beginning of the roll, and in such event the aforementioned certificate or certificates shall cover also such supplemental or retaken film and shall state the reasons for taking such films.

7. All film stock shall be of approved permanent-record microcopying type, either perforated or unperforated, such as meets the minimum specifications of the National Bureau of Standards. (Such film stock may be identified by a manufacturer's mark, a solid triangle after the word "safety" in the edge marking of the film.) The photographing and processing shall be such that the film may be easily read and reproductions on photographic paper can be made, similar in size without significant loss of clarity of detail, during the period prescribed in these rules for the retention of the records concerned. The public utility shall be prepared to furnish, at its own expense, appropriate standard facilities for reading the microfilm. If the Commission so directs, the public utility shall furnish photographic reproductions of any records the originals of which have been destroyed under the provisions of this instruction.

8. The microfilm shall be indexed and retained in such manner as will render them readily accessible and identifiable. They shall be stored in such manner as to provide reasonable protection from hazards such as fire, flood, theft, etc. The films should be cared for in such manner as to prevent cracking, breaking, splitting, etc.

F. *Destruction of records.* The destruction of the records permitted to be destroyed under the provisions of these regulations may be performed in any manner elected by the public utility concerned. Precautions should be taken, however, to macerate or otherwise destroy the legibility of records, the content of which is forbidden by law to be divulged to unauthorized persons.

G. *Premature destruction or loss of records.* When any records are destroyed before the expiration of the prescribed period of retention, a certified statement listing, as far as may be determined, the records destroyed and describing the circumstances of accidental or other premature destruction shall be filed with the Commission within ninety (90) days from the date of discovery of such destruction. Discovery of loss of records is to be treated in the same manner as in the case of premature destruction.

H. *Schedule of records retention periods.* The schedule of records annexed hereto shows the periods of time that designated records shall be preserved and the records for which microfilms may be substituted for retention of the original records, in accordance with the foregoing instructions.

I. *Retention periods designated "Destroy at Option".* Use of the retention period, "Destroy at Option", in these regulations constitutes authorization for such destruction under the conditions specified for the particular types of records, only if such optional destruction is appropriate to limited managerial interest in such records and if such optional destruction is not in conflict with other legal retention requirements or usefulness of such records in satisfying pending regulatory actions or directives.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION

Description of records	Period to be retained	Micro-film indi-cator
CORPORATE AND GENERAL		
1. Capital stock records:		
(a) Capital stock ledgers or other records showing the same information.	7 years after the stockholders account is closed.(1)	(2) M
(b) Capital stock subscription accounts, warrants, requests for allotments and other essential papers related thereto.	3 years after settlement	M
(c) Stubs or similar records of capital stock certificate issuance where not used as capital stock ledger record.	7 years after cancellation of certificate. If this record serves the purpose of a capital stock ledger, 1(a) is applicable.	M
(d) Stock transfer registers or sheets or similar records	7 years after last entry on page or sheet of the record.	M
(e) Papers pertaining to or supporting transfers of capital stock:		
(1) Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary.	Destroy at option or return to stockholder.	
(2) Any other papers not described in (e) (1) above	3 years from date of transfer	M
(f) Canceled capital stock certificates where not used as capital stock ledger records.	7 years after cancellation. If this record serves the purpose of a capital stock ledger, 1(a) is applicable.	M
(g) Change of address notices of stockholders	Destroy at option after changes are recorded.	
(h) Bonds of indemnity and affidavits covering issuances of stock certificates to replace lost certificates.	7 years after expiration of bonds	M
(i) Letters, notices, reports, statements and other communications distributed to all stockholders of a particular class:		
(1) Formal communications addressed to all stockhooders of a particular class, including annual reports to stockholders, notices of annual and special meetings of stockholders, and other notices, letters, reports or statements relating to corporate or stockholder actions.	Permanently	M 10
(2) Interim reports of operations, speeches of corporate officers, notices of change of corporate address or telephone numbers, etc.	6 years after the date thereof	M
(j) Dividend registers, lists or similar records	6 years	M
(k) Paid dividend checks	do	M
(l) Third party dividend orders	6 years after rescission order	M
2. Debt security records:(3)		
(a) Registered bond and debenture ledgers	3 years after redemption	ME
(b) Bond and debenture subscription accounts, warrants, subscription notices, requests for allotment and essential papers related thereto.	3 years after settlement	M
(c) Stubs or similar records of bond and debenture certificates issued.	3 years after redemption	M
(d) Papers pertaining to or supporting transfers of registered bonds and debentures:		
(1) Papers that are recorded officially in a court or in the office of some other public recording authority; and other papers presented by any bank or trust company requesting transfers in its capacity as a fiduciary.	Destroy at option or return to holders of the bonds or debentures.	
(2) Any other papers not described in (d) (1) above	3 years after transfer	M
(e) Records of bond and debenture interest coupons paid and unpaid.	Destroy at option in compliance with Note.	
(f) Canceled bonds and debentures and paid interest coupons pertaining thereto.	do	
(g) Trust indentures, loan agreements or other contracts or agreements securing debt securities issued. (If such papers or documents are included among the records covered by Item 3 of the Regulation, this instruction will not apply.)	7 years after redemption	ME

See footnotes at end of table.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Micro-film indi-cator
CORPORATE AND GENERAL—continued		
2. Debt security records (3)—Continued		
(h) Copies of reports, statements, letters or memoranda filed with Trustee(s) pursuant to provisions of trust indenture or other security instrument or agreement securing debt securities issued.	7 years after redemption. (Destroy at option provided that the Trustee(s) under such indenture or security instrument is a National Bank, a member of the Federal Reserve System or a subsidary of any such National Bank or Federal Reserve System member bank; and provided further that the Trustee(s) has certified to the Company that copies of all such documents will be available in the offices of the Trustee(s) for inspection at any time prior to redemption by holders of debt securities to which such documents relate and for inspection by any Federal or State regulatory authority prior to redemption and for an additional period of 7 years after redemption).	M
NOTE: Canceled bonds and debentures and paid interest coupons pertaining thereto may be destroyed, provided that a certificate of destruction giving full descriptive reference to the documents destroyed shall be made by the person or persons authorized to perform such destruction and shall be retained by the Company for the period herein prescribed. The certificate of destruction evidencing the destruction of paid interest coupons pertaining to bonds or debentures need not contain a listing of the bond or debenture serial numbers pertaining to such paid interest coupons. When documents represent debt secured by mortgage, the certificate of destruction shall also be authorized by a representative of the Trustee(s) acting in conjunction with the person or persons destroying the documents or shall have the Trustee(s)' acceptance thereon. The certificate of destruction above described may be destroyed 7 years after the payment and discharge of the bonds or debentures or interest coupons described in such certificate. Such certificate may be microfilmed in accordance with indicator "M". See Instruction E (2) of the Regulation.		
(i) Paid or canceled debt securities evidencing temporary borrowings.	3 years after payment or cancellation provided other records of issuance and payment or cancellation are maintained.	M
(j) Paid interest checks	6 years	M
3. Authorizations from regulatory bodies for issuance of securities:		
(a) Copies of applications to regulatory bodies for authority to issue stocks, bonds, and other securities, including copies of exhibits in support of such applications.	25 years or until all securities covered are retired whichever is shorter.(4)	M 10
(b) Official copies of opinions and orders of regulatory bodies granting authority to issue securities.	Until securities covered are retired	M 10
(c) Reports filed with regulatory bodies in compliance with authorizations to issue securities. (Reports of sales of securities of application of proceeds, etc.) File copies of such reports and supporting papers.	do	M 10
4. Copies of registration statements and other data filed with the Securities and Exchange Commission:		
(a) In connection with offerings of securities for sale to the public, or the listing of securities on exchanges, including supporting papers.	25 years, or until all securities covered, are retired whichever is shorter.(4)	M 10
(b) Copies of periodic reports and supporting papers filed in compliance with either the Securities Act of 1933 or the Securities Exchange Act of 1934.	Permanently.(4)	M 10

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
CORPORATE AND GENERAL—continued		
5. Proxies and voting lists:		
(a) Proxies of holders of voting securities	1 year	M
(b) Lists of holders of voting securities represented at meetings	do	M
6. Minute books of stockholders', directors', and directors' committee meetings.	Permanently	M 25
7. Titles, franchises, and licenses:		
(a) Deeds and other title papers (including abstracts of title and supporting data).	6 years after property is disposed of unless surrendered to transferee.	
(b) Corporate charters or certificates of incorporation	Permanently	
(c) Franchises and certificates authorizing operations as a public utility.	do	
(d) Licenses (including amendments thereof) granted by Federal or State authorities for construction and operation of utility plant.	do	
(e) Copies of formal orders of regulatory commissions served upon the utility.	do	
8. Permits:		
(a) Permits and granted applications for the use of facilities of others.	6 years after expiration or cancelation	ME
(b) Copies of permits and applications granted others for the use of the utility's facilities.	do	ME
(c) Applications for use of facilities not granted and copies of such applications.	Destroy at option	
(d) Permits of a temporary nature from municipalities or others to perform specific work, such as permits to open streets.	do	
9. Contracts and agreements (except contracts provided for elsewhere):		
(a) Service contracts, such as for management, accounting, and financial services.	See item 12.(b)(1) if they affect cost of plant; otherwise, 6 years after expiration or cancellation.	ME
(b) Contracts with other utilities for the purchase, sale or interchange of product.	6 years after expiration or cancellation	ME
(c) Leases pertaining to rentals of property to or from others	do	ME
(d) Contracts and agreements with individual employees, labor unions, company unions, and other employee organizations relative to wage rates, hours and similar matters.	do	ME
(e) Contracts, agreements, and/or other essential records necessary to the carrying out of the functions of an employee's stock purchase or other type of employees' saving plan.	do	ME
(f) Memoranda essential to clarifying or explaining provisions of contracts listed above.	For same periods as contracts to which they relate.	ME
(g) Card or book records of contracts, leases, and agreements made, showing dates of expirations and of renewals, memoranda of receipts and payments under such contracts, etc.	do	ME
(h) Contracts or agreements for the acquisition or disposal of investments. (Excluding temporary cash investments.)	25 years	M
10. General and subsidiary ledgers:		
(a)(1) General ledgers	Permanently	
(2) Ledgers subsidiary or auxiliary to general ledgers except ledgers provided for elsewhere.	do	M 20
(b)(1) Indexes to general ledgers	do	
(2) Indexes to subsidiary ledgers except ledgers provided for elsewhere.	do	M 20
(c) Trial balance sheets of general and subsidiary ledgers	5 years	M
11. Journals: General and subsidiary journals, including departmental and divisional journals.	Permanently	M 20
12. Journal vouchers and journal entries:		
(a) General, departmental, divisional and petty journal vouchers.	do	M 20
(b) Materials and supplies disbursement, labor distribution, and other detail summarization and distribution records which support journal vouchers or journal entries:		
(1) Charging plant accounts	7 years, if (a) accounting adjustments resulting from reclassification and original cost studies have been approved by the regulatory commissions having jurisdiction; and (b) continuing plant inventory records are maintained, or (c) unitization of construction costs appear in work orders; otherwise permanently. For licensed projects, see Note following item 15.	
(2) Charging all other accounts	7 years	

See footnotes at end of table.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
CORPORATE AND GENERAL—continued		
12. Journal vouchers and journal entries—Continued		
NOTE: Time tickets and material issued and material returned tickets may be destroyed at option if the basic information contained thereon is transcribed to other records, if such other records are retained in accordance with this instruction. Basic information as regards time tickets includes, as a minimum, for the purpose of this instruction, hours worked, and distribution of time to proper job or account. For material and material returned tickets basic information, as a minimum for the purpose of this instruction, includes identification of material by code or otherwise, quantity and distribution.		
(c) Papers forming part of or necessary to explain journal vouchers or journal entries except as covered in 12 (b) above.	Permanently	M 20
(d) Schedules for recurring journal entries	Destroy when superseded	
(e) Lists of standard journal entry numbers	do	
13. Cash books:		
(a) Treasurers' and auditors' general cash books	3 years	
(b) Cash books subsidiary or auxiliary to general cash books except those showing solely collections from customers.	do	
(c) Subsidiary cash records showing soley customers' collections.	do	
(d) Other cash records of a memorandum nature	do	M
14. Voucher registers:		
(a) Voucher registers or similar records	7 years (see item 12(b) (1) and (2))	
15. Vouchers:		
(a) Paid and canceled vouchers (1 copy) analysis sheets showing detailed distribution of charges on individual vouchers and other supporting papers.	7 years (See item 12(b)(1) and (2)). For licensed projects, see Note following item 15.	
(b) Original bills and invoices for materials, services, etc., paid by vouchers.	do	
(c) Paid checks and receipts for payments by voucher or otherwise.	7 years	M
(d) Authorizations for the payment of specific vouchers	7 years (See item 12(b)(1) and (2))	
(e) Lists of unaudited bills (accounts payable), lists of vouchers transmitted and memoranda regarding changes in unaudited bills.	Destroy at option	
(f) Voucher indexes	7 years	
NOTE: Except that those relating to the construction of licensed projects, or additions or betterment thereto, or the amortization reserve applicable thereto, for which the Commission has not determined the actual legitimate original cost, shall be retained until such cost has been determined.		
16. Accounts receivable (see items 43 and 44 for accounts with customers for utility service and for merchandise sales):		
(a) Records of accounts receivable pertaining to sales of utility plant.	6 years	
(b) Record or register of accounts receivable and indexes thereto and summaries of distribution.	do	M
(c) Accounting department copies of invoices issued and supporting papers which do not accompany the original invoices and authorizations for charges including supporting papers.	3 years	
(d) Periodic statements of unsettled accounts, except trial balances.	1 year	
(e) Schedule of invoices to be issued	Destroy at option	
17. Records of securities owned:		
(a) Records of securities owned, in treasury, or with custodians.	6 years	
18. Insurance records:		
(a) Records of insurance policies in force, showing coverage, premiums paid and expiration dates.	Destroy at option after expiration of such policies.	
(b) Insurance policies	do	
(c) Records of amounts recovered from insurance companies in connection with losses and of claims against insurance companies, including reports of losses and supporting papers.	6 years. For licensed projects, see Note following item 15.	M
(d) Inspectors' reports and records of condition of property	1 year after supersession	ME
(e) Insurance maps of property and structures erected thereon	Until superseded	
(f) Records and statements relating to insurance requirements	Destroy at option	

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Micro-film indicator
CORPORATE AND GENERAL—continued		
19. Tax records:		
(a) Copies of schedules, returns, and supporting working papers to taxing authorities and records of appeals:		
(1) Federal income, excess profits, undistributed income, and capital stock taxes.	10 years after settlement	
(2) State income taxes and State or local property taxes	do	
(3) Other taxes	do	
(4) Schedule of allocation of consolidated Federal income taxes to subsidiary companies.	10 years after allocation	
(5) Records of annual determinations of deferred taxes on income, annual determinations of accounting adjustments for "reserve deferrals" of deferred taxes on income together with basic computations and records of annual plant additions and retirements and adjustments on which deferred tax accounting entries are based. (For the purposes of these regulations, "deferred taxes" and "deferred tax accounting" embrace provision for "future taxes on income", "prepaid taxes on income", or any other accounting procedure which attribute a tax on income to a year or years other than that of the specific year's tax return determining the tax liability.)	6 years after absorption of deferred credits.	
(b) Tax bills from taxing authorities and receipts for payment	See item 15(b)	
(c) Summaries of taxes paid by classes of taxes and by location	6 years	
(d) Summaries of taxes paid by taxing districts	do	
(e) Restatements of schedules of taxes paid after giving effect to refunds and additional assessments.	do	
20. Accountants' and auditors' reports:		
(a) Reports of examinations and audits by accountants and auditors not in the regular employ of the utility. (Including reports of public accounting firms and regulatory commission accountants.)	25 years	M 10
(b) Internal audit reports and working papers	3 years	
21. Tabulating machine and automatic data processing records (not including billing machine records):		
(a) Punched cards or tapes used in assembling figures to be posted to an account:		
(1) Where a printed sheet or tape showing voucher number, account number, and amount on each sheet is not preserved.	7 years (See item 12(b)(1) and (2))	
(2) Where a printed sheet or tape described in (1) above is preserved.	Destroy at option	
(b) Printed sheets or tapes showing the details and summaries of accounting data indicated on the punched cards or tapes.	7 years (See item 12(b) (1) and (2))	
(c) Instructions and wiring diagrams for the above records	Same period as related records	
PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION		
22. Plant ledgers:		
(a) Ledgers of utility plant accounts including land and other detailed ledgers showing the cost of utility plant by classes.	Permanently	
(b) Continuing plant inventory ledger, book or card records showing description, location, quantities, cost, etc., of physical units (or items) of utility plant owned.	6 years after plant is retired provided mortality data are retained.	ME
23. Construction work in progress ledgers, work orders, and supplemental records:		
(a) Construction work in progress ledgers	25 years after clearance to the plant account provided continuing plant inventory records are maintained; otherwise, 6 years after plant is retired.	M 15
(b) Work order sheets to which are posted in summary form or in detail the entries for labor, materials, and other charges for utility plant additions and the entries closing the work orders to utility plant in service at completion.	do	M 15
(c) Authorizations for expenditures for additions to utility plant, including memoranda showing the detailed estimates of cost and the bases therefor (including original and revised or subsequent authorizations).	10 years	
(d) Requisitions and registers of authorizations for utility plant expenditures.	do	
(e) Completion or performance reports showing comparison between authorized estimates and actual expenditures for utility plant additions.	do	

See footnotes at end of table.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Micro-film indicator
PLANT AND ACCUMULATED PROVISION FOR DEPRECIATION—CON.		
23. Construction work in progress ledgers, work orders, and supplemental records—Continued		
(f) Analysis or cost reports showing quantities of materials used, unit costs, number of man-hours, etc., in connection with completed construction projects.	25 years	
(g) Records and reports pertaining to progress of construction work, the order in which jobs are to be completed, and similar records which do not form a basis of entries to the accounts.	Destroy at option	
(h) Records of gas acreage owned, leased or optioned; lease records; well-drilling logs and well-construction records; geological and photographic maps of field.	Permanently	M 20
24. Retirement work in progress ledgers, work orders, and supplemental records:		
(a) Work order sheets to which are posted the entries for removal costs, materials recovered, and credits to utility plant accounts for cost of plant retired.	25 years	M 15
(b) Authorizations for retirement of utility plant, including memoranda showing the basis for determination of cost of plant to be retired and estimates of salvage and removal costs.	10 years	
(c) Registers of retirement work orders	do	
25. Summary sheets, distribution sheets, reports, statements, and papers directly supporting debits and credits to utility plant accounts not covered by construction or retirement work orders and their supporting records.	25 years after clearance to plant account, provided continuing plant inventory records are maintained; otherwise, 6 years after plant is retired.	M 15
26. Appraisals and valuations: Appraisals and valuations made by the company of its properties or investments or of the properties or investments of any associated companies. (Includes all records essential thereto.)	Until data are no longer useful	
27. Maps and map reproductions showing the location and physical characteristics of production, transmission, and distribution systems of the utility.	Until map is superseded or 6 years after plant is retired provided mortality data are retained.	
28. Engineering records in connection with construction projects:		
(a) Maps or map reproductions, diagrams, profiles, plans, photographs, records of engineering studies, and similar records in connection with proposed construction projects:		
(1) If construction of project results wholly or in part	Until record is superseded or 6 years after plant is retired provided mortality data are retained.	
(2) If construction of project does not result	Destroy at option after completely accounting for expenses incurred.	
29. Contracts and other agreements relating to utility plant:		
(a) Contracts relating to acquisition or sale of plant	Permanently	
(b) Contracts and other agreements relating to services performed in connection with construction of utility plant (including contracts for the construction of plant by others for the utility and for supervision and engineering relating to construction work).	6 years after plant is retired	
30. Records pertaining to reclassifications of utility plant accounts to conform to prescribed systems of accounts, including supporting papers showing the bases for such reclassifications.	7 years (See item 12(b)(1))	
31. Records of reserve for depreciation and depletion of utility plant:		
(a) Detailed records or analysis sheets segregating the depreciation reserve according to functional classification of plant.	25 years	M 15
(b) Records supporting computation of depreciation and depletion expense of utility plant, including such data as life and salvage studies.	do	M 15
TREASURY		
32. Statements of funds and deposits:		
(a) Summaries and periodic statements of cash balances on hand and with depositories.	Destroy at option	
(b) Statement of managers' and agents' cash balances on hand and with depositories.	do	
(c) Authorizations for and statements of transfer of funds from one depository to another.	do	
(d) Requisitions and receipts for funds furnished managers, agents, and others.	May destroy at option after funds have been returned or accounted for.	
(e) Records of fidelity bonds of employees and others responsible for funds of the utility.	Until liability of bonding company has expired.	
(f) Reports and estimates of funds required for general and special purposes.	Destroy at option	

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
TREASURY—continued		
33. Records of deposits with banks and others:		
(a) Bank deposit books	1 year	
(b) Copies of bank deposit slips	do	
(c) Advice of deposits made when information thereon is shown on other records which are retained.	Destroy at option	
(d) Statements from depositories showing the details of funds received, disbursed, transferred, and balances on deposit.	do	
(e) Bank reconcilement papers	1 year	
(f) Statements from banks of interest credits	do	
(g) Check stubs, registers, or other records of checks issued	6 years	M
(h) Correspondence and memoranda relating to the stopping of payment of bank checks and to the issuance of duplicate checks.	6 years or destroy at option after check is recovered.	M
34. Records of receipts and disbursements:		
(a) Daily or other periodic statements of receipts or disbursements of funds.	2 years	M
(b) Records or periodic statements of outstanding vouchers, checks, drafts, etc., issued and not presented.	do	M
(c) Reports of associates showing working fund transactions and summaries thereof.	Destroy at option	
(d) Reports of revenue collections by field cashiers, pay stations, etc.	do	
REVENUE ACCOUNTING AND COLLECTING		
35. Customers' service applications and contracts:		
(a) Applications for utility service for which contracts have been executed.	do	
(b) Applications for utility service used in lieu of contracts	1 year	
(c) Contracts and card files or other records thereof with customers for utility service. (See also item 9(b).)	1 year after expiration or cancellation	
(d) Applications for utility service which were withdrawn by applicant or not granted by the utility.	1 year	
(e) Contracts or sales agreements with customers and others for sale of merchandise and appliances.	1 year after sales agreement is discharged.	
(f) Contracts for lease of equipment to customers, including receipts for same.	1 year after expiration of contract or return of equipment.	
(g) Applications and contracts for extensions covered by refundable deposits or guarantees of revenue, also records pertaining to such contracts.	1 year after entire amount is refunded	
(h) Applications and contracts for extensions for which donations or contributions are made by customers or others.	Permanently	M
36. Rate schedules:		
(a) General files of published rate sheets and schedules of utility service. (Including schedules suspended or superseded.)	do	
(b) Divisional or local office copies of rate sheets and schedules of utility service.	1 year after expiration or cancellation	
37. Customers' guarantee deposits:		
(a) Customers' deposit ledgers or card records	6 years after refund	ME
(b) Customers' deposit certificate books	do	ME
(c) Receipts for customers' deposits refunded	do	ME
(d) Receipts for interest on customers' deposits	do	ME
38. Meter reading sheets and records:		
(a) Superseded meter reading sheets	2 years or as may be necessary to comply with service rules regarding refunds on fast meters.	M
(b) Meter reread sheets (special readings to check high or low consumption).	do	M
(c) Customers' reading cards	do	M
(d) Connection and disconnection orders	1 year	M
(e) Superseded indexes to meter books	Destroy at option	
(f) Mark sensed meter reading cards	Destroy at option after transferring data to other record.	
39. Maximum demand, pressure, temperature, and specific gravity charts and demand meter record cards.	3 years, except where charts are exchanged with the customer and the basic chart information is transferred to another record, the charts need only be retained 1 year provided the record containing the basic data is retained 3 years.	M

See footnotes at end of table.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
REVENUE ACCOUNTING AND COLLECTING—continued		
40. Miscellaneous billing data:		
(a) Billing department's copies of contracts with customers (in addition to contracts in general files).	Destroy at option	
(b) Service and inspection orders from which customers are charged and sundry charge advices.	1 year	M
(c) Authorizations for charges under utility service contracts	1 year after expiration of contract	M
(d) Standard billing sheets or schedules (showing computed bills of varying consumption according to rates).	Destroy at option	
41. Revenue summaries:		
(a) Summaries of monthly operating revenues according to classes of service for entire utility.	6 years	
(b) Summaries of monthly operating revenues according to classes of service by towns, districts, or divisions. (Including summaries of forfeited discounts and penalties.)	do	
42. Customers' ledgers and other records used in lieu thereof:		
(a) Customers' ledgers	2 years or as may be necessary to comply with service rules regarding refunds on fast meters.	M
(b) Records used in lieu of customers' ledgers, such as bill summaries, registers, bill stubs, etc.	do	M
(c) Copies of large bills:		
(1) If details are transcribed to ledgers covered by item (a) above.	Destroy at option	
(2) If details are not transcribed to ledgers	2 years	M
(d) Trial balances of ledgers referred to above	1 year	M
(e) Indexes to customers' accounts	2 years	M
(f) Change of address notices	Destroy at option	
(g) Cards and other records relating to forfeited discounts	2 years	M
43. Merchandise sales—accounting and collecting:		
(a) Merchandise sales tickets (duplicates) and charge slips for work done.	Destroy at option after annual audit and 6 months after account is settled.	
(b) Merchandise sales journals or registers and summaries of sales.	3 years	M
(c) Merchandise ledgers and installment records	1 year after completion of payments	
(d) Merchandise sales returns and adjustment tickets	Destroy at option after annual audit and 6 months after account is settled.	
(e) Cashiers' stubs for merchandise collections	1 year	M
(f) Cashiers' periodic reports and statements of collections on merchandise accounts.	do	M
(g) Records of monthly statements to customers	Destroy at option	
(h) Reports relating to status of merchandise accounts receivable.	1 year	M
(i) Job orders and supporting details of charges to customers for work done.	3 years	M
(j) Indexes and trial balances of merchandise ledgers	do	M
44. Collection reports and records:		
(a) Periodic reports, lists, and summaries of collections of operating revenues by collectors, agents, and local or divisional or district offices. (See item 34 (d).)	Destroy at option	
(b) Bill stubs, copies of bills, collection slips, and other records pertaining to collections, summarized or detailed in daily or periodic cash reports.	1 year	M
(c) Memorandum records of remittances from local or branch offices.	do	M
NOTE: See item 33 pertaining to deposits of cash with banks. Item 33 applies to all bank accounts whether at general, local, or divisional offices.		
45. Customers' account adjustments:		
(a) Detailed records pertaining to adjustments of customers' accounts for overcharges, undercharges, and other errors, results of which have been transcribed to other records.	do	M
(b) Detailed records of high-bill complaints whether or not resulting in adjustments to customers' accounts.	do	M

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
REVENUE ACCOUNTING AND COLLECTING—continued		
46. Uncollectible accounts and customers' credit records:		
(a) Records of ratings, credit classifications, and investigations of customers.	Destroy at option	
(b) Ledger accounts and supporting details of customers' accounts considered to be uncollectible.	For period legally collectible	M
(c) Reports and statements showing age and status of customers' accounts.	1 year	M
(d) Data on unpaid final bills	do	M
(e) Authorizations for writing off customers' accounts	3 years	M
PAYROLL AND PERSONNEL RECORDS		
47. Payroll records:		
(a) Payroll sheets or registers of payments of salaries and wages to individual officers and employees. (See item (j) below for pension or annuity payrolls and item 23(a) for construction payrolls.)	6 years	M
(b) Records showing the distribution of salaries and wages paid to officers and employees for each monthly, semimonthly, or weekly payroll period and summaries or recapitulation statements of such distribution.	See item 12(b)	
(c) Time tickets, time sheets, time books, time cards, workmen's reports and other records showing hours worked, description of work, and accounts to be charged.	do	
(d) Paid checks, receipts for wages paid in cash and other evidences of payments for services rendered by employees.	3 years	M
(e) Applications and authorizations for changes in wage and salary rates, summaries and reports of changes in payrolls, and similar records.	do	M
(f) Applications for payroll changes not authorized	Destroy at option	
(g) Payroll authorizations and records of authorized positions	3 years	M
(h) Records of deductions from payrolls	4 years	M
(i) Comparative or analytical statements of payrolls	Destroy at option	
(j) Pension or annuity payrolls	6 years	M
(k) Pension paychecks	3 years	M
(l) Employee's individual earnings record	6 years after termination of employment.	M 3
48. Assignments, attachments, and garnishments:		
(a) Record of assignments, attachments, and garnishments of employees' salaries, including files of notices, etc., pertaining thereto.	Destroy at option	
(b) Minors' salary releases	do	
49. Personnel records:		
(a) Employees' service records, length of service, and other pertinent data.	3 years after termination of employment.	ME
(b) Applications for employment, requests for medical examination, medical examiner's report, photographs and other identification records, and other miscellaneous records pertaining to the hiring of employees.	Destroy at option	
50. Employees' welfare and pension records:		
(a) Records pertaining to employees' recreational, educational, hospital, benefit, accident prevention, and similar activities.	3 years	M
(b) Detailed records showing computations of accruals for pension liabilities.	25 years	M 3
51. Instructions to employees and others:		
(a) Bulletins or memoranda of general instructions issued by the Company to employees pertaining to changes in accounting, engineering, operating, maintenance and construction policies.	20 years after expiration or supersession	M
(b) Bulletins or memoranda of general instructions issued by the Company to employees pertaining to accounting, engineering, operating, maintenance and construction methods and procedures.	6 years after expiration or supersession	
(c) Notices to employees on matters of discipline, deportment, and other similar subjects.	Destroy at option	
52. Organization diagrams and charts	do	

See footnotes at end of table.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
PURCHASES AND STORES		
53. Purchases:		
(a) Advices or requisitions from storekeeper and others for the purchase of materials and supplies or services.	do	
(b) Bids received from vendors in connection with the purchases of materials and supplies.	3 years	M
(c) Purchasing department copy of purchase orders and specifications of materials ordered.	do	M
(d) Contracts for the purchase of materials and supplies:		
(1) Contracts for materials used directly in construction	7 years (see item 12(b)(1))	
(2) Contracts for other material	7 years (see item 12(b)(2))	
(e) Purchasing department copies of invoices for materials and supplies. (See item 15(b) for original invoices.)	Destroy at option	
(f) Registers or similar records of invoices	3 years	
(g) Price records or indexes of purchases	Destroy at option	
(h) Advices from vendors acknowledging receipt of orders for materials and supplies, notices of shipment, packing slips, and copies of bills of lading.	do	
(i) Receipts or delivery tickets issued for materials and supplies received in installments and subsequently surrendered with and in support of invoices or bills covering complete purchases.	do	
(j) Demurrage or car records showing periods freight cars held on company sidings.	do	
(k) Copies of notices to vendors for materials and supplies returned for credit and repair.	do	
(l) Lists or records of invoices transmitted to or from storekeepers.	do	
(m) Records and reports used for checking and tracing materials and supplies covered by invoices provided for in item (e) above.	do	
54. Material ledgers:		
(a) Ledger sheets and card records of materials and supplies received, issued, and on hand.	See item 12(b)	
(b) Statements of materials and supplies on hand, per ledgers	3 years	M
55. Materials and supplies received and issued:		
(a) Records and reports pertaining to receipt of materials and supplies.	do	M
(b) Records of inspecting and testing materials and supplies	Destroy at option	
(c) Records showing the detailed distribution of materials and supplies issued during accounting periods.	See item 12(b)	
(d) Material disbursement tickets showing quantities, unit prices, and accounts to be charged for materials and supplies issued from stores for use.	do	
(e) Materials returned credit slips, showing details of materials returned to stock.	do	
(f) Requisitions and receipts for materials and supplies issued, the details of the issues being set forth in the material disbursement tickets.	Destroy at option	
(g) Records and reports of materials and supplies transferred from one department, storeroom, or division to another.	do	
(h) Records and reports of materials recovered and returned to stock if transcribed to records covered by item (c) above.	do	
(i) Records and reports of materials and supplies issued to individuals or gangs of employees to be accounted for when used or returned to stock.	Destroy at option, after being accounted for.	
(j) Minor records and reports pertaining to materials and supplies not involving costs or final disposition, such as reports of unfilled requisitions, authorizations for additions to stock, and similar records; also, storeroom copies and price records, other copies being retained in files of purchasing department.	Destroy at option	
56. Records of sales of scrap and materials and supplies:		
(a) Authorizations for sale of scrap and materials and supplies	3 years	M
(b) Contracts for sale of scrap and materials and supplies	do	M
(c) Memoranda pertaining to sale of scrap and materials and supplies.	Destroy at option	

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
PURCHASES AND STORES—continued		
57. Inventories of materials and supplies:		
(a) General inventories of materials and supplies on hand with records of adjustments of accounts required to bring stores records into agreement with physical inventories.	3 years	M
(b) Stock cards, inventory cards, and other detailed records pertaining to the taking of inventories if abstracted into records covered by (a).	Destroy at option	
(c) Minor inventories of materials and supplies on hand if not reflected in adjustments of accounts.	do	
OPERATIONS		
58.1 Production—Electric:		
(a) Boiler room, condenser room, turbine room, and pump room logs, including supporting data.	3 years	M
(b) Boiler room and turbine room reports of equipment in service and performance.	do	M
(c) Boiler-tube failure report	do	M
(d) Generation and output logs with supporting data	6 years	M
(e) Station and system generation reports	(3)	
(f) Generating high-tension and low-tension load records	6 years	M
(g) Oil and waste reports	3 years	M
(h) Load curves, temperature logs, coal, and water logs	do	M
(i) Gage-reading reports	3 years, except river-flow data collected in connection with hydro-operation shall be retained permanently.	M
(j) Recording instrument charts	3 years, except that, where the basic chart information is transferred to another record, the charts need only be retained 1 year provided the record containing the basic data is retained 3 years.	M
(k) Load dispatcher's and station permits	do	M
58.2 Production—Gas:		
(a) Boiler and gas machine logs, including supporting data	3 years	M
(b) Gas generation and output logs with supporting data	6 years	M
(c) Temperature and atmospheric pressure logs	do	M
(d) Coal, coke and oil reports	do	M
(e) Residual reports	do	M
(f) Recording instrument charts such as pressure (static and/or differential), temperature, specific gravity, heating value, etc.	3 years, except that, where the basic chart information is transferred to another record, the charts need only be retained 1 year provided the record containing the basic data is retained 3 years.	M
(g) Test of heating value at stations and outlying points	6 years	M
(h) Records of gas produced, gas purchased, gas sent out and holder stock.	do	M
(i) Analysis of gas produced and purchased including Btu. and sulphur content.	do	M
(j) Records of general inspection and operating tests	3 years	M
(k) Well records, including clearing, bailing, shooting, etc., records; rock pressure; open flow; production, gas analysis reports, etc.	1 year after field abandoned	M
(l) Gasoline production	6 years	M
(m) Gas production by counties	Optional	M
(n) Gas measuring records	6 years	M
(o) Tool record	3 years	M
(p) Royalty record	6 years	M
(q) Records of meter tests	Until superseding test, but not less than 2 years.	
(r) Meter history records	For life of meter	M
59.1 Transmission and distribution—Electric:		
(a) Substation and transmission line logs	3 years	M
(b) System operator's daily logs and reports of operation	do	M
(c) Storage battery and other equipment logs and records	do	M
(d) Interruption logs and reports	6 years	M
(e) Records of substation general inspections and operation tests.	3 years	M
(f) Apparatus failure reports	do	M
(g) Line-trouble reports and records	do	M
(h) Lightning and storm data	do	M
(i) Insulator test records	do	M

See footnotes at end of table.

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
OPERATIONS—continued		
59.1 Transmission and distribution—Electric—Continued		
(j) Reports on inspections and repairs of all street openings	6 years	M
(k) Records of meter tests	Until superseding test but not less than 2 years, or as may be necessary to comply with service rules regarding refunds on fast meters.	
(l) Meter shop reports (monthly reports summarizing tests, repairs, etc.).	6 years	M
(m) Meter history records	For life of meter or as may be necessary to comply with service rules regarding refunds on fast meters.	
(n) Transformer history records	For life of transformer	
(o) Records of transformer inspections, oil tests, etc	Destroy at option	
(p) Pole, tower, structure, equipment, and other history records.	For life of equipment	
NOTE: Life or mortality study data for depreciation purposes shall be retained permanently.		
59.2 Transmission and distribution—Gas:		
(a) Transmission line logs	3 years	M
(b) Transmission and distribution department load dispatching operating logs.	do	M
(c) Service interruption logs and reports	6 years	M
(d) Records of general inspection and operating tests	3 years	M
(e) Reports on inspections and repairs of all street openings	6 years	M
(f) Apparatus failure reports	do	M
(g) Records of meter tests	Until superseding test, but not less than 2 years or as may be necessary to comply with service rules regarding refunds on fast meters.	
(h) Meter history records	For life of meter (see also item 59.2(g))	M
(i) Meter shop reports (monthly reports summarizing tests, repairs, etc.)	6 years	M
(j) Gas measuring records	do	M
(k) Transmission line operating reports	do	M
(l) Compressor operation and reports	do	M
(m) Gas pressure department reports	do	M
(n) Recording instrument charts such as pressure (static and differential), temperature, specific gravity, heating value, etc.	3 years, except that where charts are exchanged with the customer and the basic information is transferred to another record, the charts need only be retained 1 year provided the record containing the basic chart data is retained 3 years.	
NOTE: Life or mortality study data for depreciation purposes shall be retained permanently.		
60. Customers' service:		
(a) Reports of inspections of customers' premises	3 years	M
(b) Records and reports of customers' service complaints	do	M
(c) Survey of customers' premises to determine type of service and equipment to be installed.	Destroy at option	
(d) Records of installed customers' appliances	do	
61. Records of auxiliary and other operations:		
Records of operations other than utility operations	For the same periods as prescribed in these regulations for similar records pertaining to utility operations.	
STATISTICS		
62. Statistics and miscellaneous:		
(a) Annual financial, operating and statistical reports regularly prepared in the course of business for internal administrative or operating purposes (and not used as the basis for entries to the accounts of the companies concerned) to show the results of operations and the financial condition of the utility.	Permanently	M 15
(b) Quarterly, monthly or other periodic financial, operating and other statistical reports as above.	3 years	
(c) All other statistical reports (not covered elsewhere in these regulations) prepared for internal administrative or operating purposes only and not used as the basis for entries to the accounts of the company.	Destroy at option	
63. Reports to stockholders:		
(a) Annual reports or statements to stockholders	Permanently	
(b) Written acknowledgments of receipts of reports to stockholders and written requests for copies of such reports.	Destroy at option	

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
STATISTICS—continued		
64. Reports to Federal and State regulatory commissions:		
(a) Annual financial, operating and statistical reports	Permanently	
(b) Monthly and quarterly reports of operating revenues, expenses, and statistics.	3 years after current year	
(c) Special or periodic reports on the following subjects:		
(1) Transactions with associated companies	6 years	
(2) Budgets of expenditures	do	
(3) Accidents	do	
(4) Employees and wages	do	
(5) Loans to officers and employees	3 years after fully paid	
(6) Issues of securities	See items 3(c) and 4	
(7) Purchases and sales, utility properties	Permanently	
(8) Plant changes—units added and retired	do	
(9) Service interruptions	6 years	
65. Miscellaneous statistical reports, statements, and summaries (not covered elsewhere in these regulations) prepared for administrative or operating purposes only and not used as the basis for entries to the accounts of the utility.	Destroy at option	
66. Tabulating cards used only in compilation of statistics, when the results are transcribed to other records covered by these regulations (see item 21).	Destroy at option after appropriate summaries have been made.	
Miscellaneous		
67. Maintenance work orders and job orders:		
(a) Authorizations for expenditures for maintenance work to be covered by work orders, including memoranda showing the estimates of costs to be incurred.	6 years	
(b) Work order sheets to which are posted in detail the entries for labor, material, and other charges in connection with maintenance, and other work pertaining to utility operations.	do	
(c) Summaries of expenditures on maintenance and job orders and clearances to operating and other accounts (exclusive of plant accounts).	do	
68. Budgets and other forecasts: (Prepared for internal administrative or operating purposes) of estimated future income, receipts and expenditures in connection with financing, construction and operations and acquisitions or disposals of properties or investments by the company and its associate companies, including revisions of such estimates and memoranda showing reasons for revisions; also records showing comparison of actual income and receipts and expenditures with estimates.	3 years	
69. Injuries and damages:		
(a) Claim registers, card or book indexes and similar records in connection with claims presented against the company in connection with accidents resulting in damage to the property of others or personal injuries.	2 years after settlement	M
(b) Papers, reports, statements of witnesses, etc., necessary to the support or rejection of individual claims against the company.	do	M
(c) Other papers, reports, or statements, pertaining to accidents, resulting in property damages or personal injuries, not necessary to the support or rejection of claims.	Destroy at option	
(d) Detailed schedules or spread sheets of payments to others for personal injuries or for property damages.	2 years after settlement	M

SCHEDULE OF RECORDS AND PERIODS OF RETENTION—Continued

Description of records	Period to be retained	Microfilm indicator
Miscellaneous—Continued		
70. Correspondence:		
(a) Correspondence and indexes thereto relating to offices covered by other items of these regulations.	For the period prescribed for the item to which it relates where necessary to a proper explanation of same.	(6)
(b) Stenographers' notebooks and dictaphone or other mechanical device records.	Destroy at option	
(c) Mailing lists of prospects for appliance sales, securities, etc.	do	
71. Other miscellaneous records:		
(a) Copies of advertisements by the company in behalf of itself or any associate company in newspapers, magazines and other publications including records thereof. (Excluding advertising of product, appliances, employment opportunities, services, territory, routine notices and invitations for bids for securities, all of which may be destroyed at option.)	6 years	M
(b) Receipts and records pertaining to delivery of articles to employees, such as badges, keys, and material receipt books.	Destroy at option	
(c) Records of building space occupied by various departments of the utility.	do	
(d) Indexes of forms used by company	do	
(e) Transmittal lists or forms used for indicating papers and records forwarded from one department to another, provided such lists do not contain data affecting the accounts of the company.	do	
72. Records of predecessors and former associates	See note 7	

[1] For the purposes of the regulation, a stockholder's account may be treate as a closed account at the time that such stockholder ceases to be a holder of record of the particular class of stock of the Company and the 7-year retention period prescribed herein shall run from that date. If such person subsequently acquires shares of capital stock of the company and thus again becomes a stockholder of the Company, the record of such acquisition shall be treated as a new stockholder account.

[2] After account is closed as defined in Footnote 1 supra.

[3] The terms "bonds" and "debentures", as used in captions (a) through (f) of this item, shall include all debt securities, such as bonds, debentures or notes other than debt securities which evidence temporary borrowings and which are expected to be repaid out of the proceeds of the sale of longer term securities. Typical of such temporary debt securities as described in 2(i) would be notes issued to banks evidencing temporary working capital and construction loans and gas storage loans.

[4] If a retention period is prescribed elsewhere in the Schedule with respect to any document which is included as an exhibit to any filing retained pursuant to the requirements of this item, the Company need retain only one copy of such document in its files provided appropriate cross references are established.

[5] 25 years, except that those relating to licensed projects, or additions or betterments thereto, for which the Commission has not determined the actual legitimate original cost, shall be retained 25 years and until such cost has been determined.

[6] As may be permitted for items to which correspondence relates.

[7] Retain until the records of utility plant acquired have been integrated with the utility's plant records and the original cost of the acquired plant is adequately supported by cost details, and until it is ascertained that such records are not necessary to fulfillment of any unsatisfied regulatory requirement, such as: (a) Approval and recording of accounting adjustments resulting from reclassification and original cost studies and acceptance of property acquisition journal entries, (b) cost, depreciation reserve, and amortization reserve determinations for licensed projects, (c) establishment of continuing plant inventory records, or accounting evidence of the cost of long-lived property in the absence of such continuing plant inventory records.

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