

RULES AND REGULATIONS

not meet the minimum U.S. Grade Standards for canning or freezing cherries as determined by the Corporation and could not be made to meet such minimum by proper handling, as determined by the Corporation.

NOTE: The reporting requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Adopted by the Board of Directors on December 20, 1962.

[SEAL] EARL H. NIKKEL,
Secretary,
Federal Crop Insurance Corporation.
Approved on December 28, 1962.

JOHN P. DUNCAN, Jr.,
Assistant Secretary.

[F.R. Doc. 63-51; Filed, Jan. 2, 1963;
8:49 a.m.]

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

[947.320, Amdt. 3]

PART 947—IRISH POTATOES GROWN IN MODOC AND SISKIYOU COUNTIES IN CALIFORNIA AND IN ALL COUNTIES IN OREGON EXCEPT MALHEUR COUNTY

Limitation of Shipments

Findings. (a) Pursuant to Marketing Agreement No. 114, as amended, and Order No. 947, as amended (7 CFR Part 947), regulating the handling of Irish potatoes grown in Modoc and Siskiyou Counties, California, and in all counties in Oregon except Malheur County, 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 recommendations and information submitted by the Oregon-California Potato Committee, established pursuant to the said amended marketing agreement and order, and other available information, it is hereby found that the amendment to the limitation of shipments regulations hereinafter set forth, will tend to effectuate the declared policy of the act by limiting shipments of immature potatoes which could have an adverse effect on prices received by potato growers in the production area.

(b) It is hereby found that it is impracticable and contrary to the public interest to give preliminary notice, and engage in public rule making procedure, and postpone the effective date of this amendment until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1003) in that (1) the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the act is insufficient; (2) more orderly marketing in the public interest, than would otherwise prevail, will be promoted by regulating the handling of potatoes, in the manner set forth below, on and after the effective date of this amendment, (3) regulations have been issued under the amended order since 1955 and have

been in effect this season since July 16, 1962, so compliance with this amendment will not require any special preparation on the part of handlers, and (4) information regarding the committee's recommendation has been disseminated to producers and handlers in the production area.

Order. In § 947.320 (27 F.R. 6492, 9508, 9887), delete the introductory paragraph and paragraph (a) and substitute in lieu thereof the introductory paragraph and paragraph (a) set forth below.

§ 947.320 Limitation of shipments.

During the period from January 7, 1963, through June 30, 1963, no person shall handle any lot of potatoes unless such potatoes meet the requirements of paragraphs (a) and (b) of this section or unless such potatoes are handled in accordance with the provisions of paragraphs (c), (d), (e), and (f), of this section.

(a) *Minimum quality requirements—*
(1) *Grade.* All varieties—U.S. No. 2, or better, grade.

(2) *Size.* (i) Round varieties—2 inches minimum diameter. (ii) Long varieties—2 inches minimum diameter or 4 ounces minimum weight.

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

Dated: December 28, 1962, to become effective January 7, 1963.

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

[F.R. Doc. 63-48; Filed, Jan. 2, 1963;
8:49 a.m.]

[Amdt. 2]

PART 959—ONIONS GROWN IN SOUTH TEXAS

Handling of Culls

Notice of rule making with respect to a proposed amendment to the rules and regulations effective under Marketing Agreement No. 143 and Order No. 959, both as amended (7 CFR Part 959) was published in the December 5, 1962, FEDERAL REGISTER (27 F.R. 11998). This program regulates the handling of onions grown in designated counties in South Texas and is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

The notice afforded interested persons an opportunity to file data, views, or arguments pertaining thereto within ten days after publication. None was filed.

After consideration of all relevant matters, including the proposal set forth in the aforesaid notice which was recommended by the South Texas Onion Committee, established pursuant to the said amended marketing agreement and order, present § 959.126 of the rules and regulations is hereby deleted and a new § 959.126 is substituted in lieu thereof as follows:

§ 959.126 Handling of culls.

(a) The handling of culls, i.e., onions which fail to meet the grade, size and

quality requirements established under § 959.52(b) of this part, is prohibited, unless such opinions are:

(1) Mechanically mutilated at the packing shed rendering them unsuitable for fresh market;

(2) Handled for special purpose outlets approved under § 959.53 of this part; or

(3) Handled for canning or freezing.

(b) As a safeguard against culls entering fresh market channels each handler of culls under subparagraphs (2) or (3) of this section shall apply for and obtain a certificate from the committee which shall require the handler to furnish such reports or other information as the committee may request.

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

Effective date: Dated December 28, 1962, to become effective February 4, 1963.

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

[F.R. Doc. 63-47; Filed, Jan. 2, 1963;
8:49 a.m.]

PART 959—ONIONS GROWN IN SOUTH TEXAS

Approval of Expenses and Rate of Assessment

Notice of rule making regarding the proposed expenses and rate of assessment, to be effective under Marketing Agreement No. 143 and Order No. 959, both as amended (7 CFR Part 959) regulating the handling of onions grown in designated counties in South Texas, was published in the December 8, 1962, FEDERAL REGISTER (27 F.R. 12190). This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). The notice afforded interested persons an opportunity to submit data, views, or arguments pertaining thereto not later than 15 days following publication in the FEDERAL REGISTER. None was filed.

After consideration of all relevant matters, including the proposal set forth in the aforesaid notice which was recommended by the South Texas Onion Committee, established pursuant to said marketing agreement and order, it is hereby found and determined that:

§ 959.203 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred by the South Texas Onion Committee, established pursuant to Marketing Agreement No. 143 and Order No. 959, both as amended, to enable such committee to perform its functions pursuant to the provisions of the aforesaid marketing agreement and order during the fiscal period beginning February 1, 1963, and ending January 31, 1964, will amount to \$38,300.

(b) The rate assessment to be paid by each handler shall be one-half cent (\$0.005) per 50-pound sack of onions, or the equivalent quantity thereof, handled

by him as the first handler thereof during said fiscal period.

(c) Terms used in this section shall have the same meaning as when used in the said marketing agreement and order.

It is hereby found that good cause exists for not postponing the effective date of this section until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1003) in that: (1) the relevant provisions of said marketing agreement and this part require that rates of assessment fixed for a particular fiscal period shall be applicable to all assessable onions from the beginning of such period, and (2) the current fiscal period begins on February 1, 1963, and the rate of assessment herein fixed will automatically apply to all assessable onions beginning with such date.

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

Dated: December 28, 1962.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Agricultural Market-
ing Service.

[F.R. Doc. 63-45; Filed, Jan. 2, 1963;
8:49 a.m.]

PART 959—ONIONS GROWN IN SOUTH TEXAS

Limitation of Shipments

Notice of rule making with respect to a proposed limitation of shipments regulation to be made effective under Marketing Agreement No. 143 and Order No. 959, both as amended (7 CFR Part 959), regulating the handling of onions grown in designated counties in South Texas, was published in the December 5, 1962, FEDERAL REGISTER (27 F.R. 11998). This program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

The notice afforded interested persons an opportunity to file data, views, or arguments pertaining thereto within ten days after publication in the FEDERAL REGISTER. None was filed.

After consideration of all relevant matters, including the proposal set forth in the aforesaid notice, it is hereby found that the proposed limitation of shipments regulation, as hereinafter set forth, will tend to effectuate the declared policy of the act.

§ 959.303 Limitation of shipments.

During the period from February 4, 1963, through June 30, 1963, no person may package or load onions on Sundays, or handle any lot of onions grown in the production area, except red onions, unless such onions meet the grade requirements of paragraph (a) of this section, one of the applicable size requirements of paragraph (b) of this section, the container requirements of paragraph (c) of this section, and the inspection requirements of paragraph (f) of this section, or unless such onions are handled in accordance with the provisions of paragraphs (d) or (e) of this section.

(a) *Minimum grade.* Not to exceed 20 percent defects of U.S. No. 1 grade. In percentage grade lots, tolerances for serious damage shall not exceed 10 percent including not more than 2 percent decay. Double the lot tolerance shall be permitted in individual packages in percentage grade lots. Application of tolerances in U.S. Grade Standards shall apply to in-grade lots.

(b) *Size requirements.* (1) "Small"—1 to 2 1/4 inches in diameter, and limited to whites only;

(2) "Repacker"—1 3/4 to 3 inches in diameter, with 60 percent or more 2 inches in diameter or larger;

(3) 2 to 3 1/2 inches in diameter; or

(4) "Jumbo"—3 inches or larger in diameter.

(c) *Container requirements.* (1) 25 pound bags, with not to exceed in any lot an average net weight of 27 1/2 pounds per bag, and with outside dimensions not larger 29 inches by 31 inches; or

(2) 50 pound bags, with not to exceed in any lot an average net weight of 55 pounds per bag, and with outside dimensions not larger than 33 inches by 38 1/2 inches; or

(3) These container requirements shall not be applicable to onions sold to Federal Agencies.

(d) *Minimum quantity exemption.* Any handler may handle, only as individual shipments and other than for resale, not more than 100 pounds of onions per day, in the aggregate, without regard to the requirements of this section or to the inspection and assessment requirements of this part.

(e) *Special purpose shipments and culls.* Onions failing to meet the grade, size, or container requirements of paragraphs (a), (b), or (c) of this section, or not exempted under paragraph (d), of this section, may be handled only pursuant to § 959.126. Culls may be handled pursuant to § 959.126(a)(1). Shipments for relief or charity, or for experimental purposes, may be handled pursuant to § 959.126(b). Any such onions may be handled without regard to inspection and assessment requirements.

(f) *Inspection.* (1) During the effective period hereof, no handler may handle any onions, except pursuant to paragraphs (d) or (e) of this section, unless an appropriate inspection certificate has been issued with respect thereto.

(2) No handler shall transport or cause the transportation of any shipment of onions by motor vehicle for which an inspection certificate is required unless each such shipment is accompanied by a copy of the inspection certificate applicable thereto or by documentary evidence on forms furnished by the Committee identifying truck lots to which a valid inspection certificate is applicable and a copy of such inspection certificate or Committee document, upon request, is surrendered to authorities designated by the Committee.

(3) For purpose of operation under this part each inspection certificate or Committee form required as evidence of inspection is hereby determined to be valid for a period not to exceed 72 hours

following completion of inspection as shown on the certificate.

(g) *Definitions.* The term "U.S. No. 1" shall have the same meaning as set forth in the United States Standards for Bermuda-Granex-Grano Type Onions (§§ 51.3195-51.3209 of this title), or in the United States Standards for Grades of Onions (§§ 51.2830-51.2850 of this title), whichever is applicable to the particular variety. All other terms used in this section shall have the same meaning as when used in Marketing Agreement No. 143 and Marketing Order No. 959, both as amended (Part 959 of this title).

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

Dated December 28, 1962, to become effective February 4, 1963.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Agricultural Market-
ing Service.

[F.R. Doc. 63-46; Filed, Jan. 2, 1963;
8:49 a.m.]

PART 990—CENTRAL CALIFORNIA GRAPES FOR CRUSHING

Subpart—Administrative Rules and Regulations

Correction

In F.R. Doc. 62-12649, appearing at page 12706 of the issue for Saturday, December 22, 1962, the following changes are made in the text of § 990.165:

1. In paragraph (a) (2) (vi), the second word should read "respective" instead of "respecting";

2. In paragraph (b) (2) (iv), the fifth word should read "for" instead of "are".

PART 990—CENTRAL CALIFORNIA GRAPES FOR CRUSHING

Subpart—Establishment of Handler Charges

RECEIVING, PROCESSING, STORING AND CERTAIN OTHER COSTS RELATING TO SET-ASIDE, 1962-63 CROP YEAR

Notice was published in the November 17, 1962, issue of the FEDERAL REGISTER (27 F.R. 11347) regarding a proposed § 990.402—Establishment of charges to compensate handlers for receiving, processing, storing, and certain other costs relating to setaside of the 1962-63 crop year—and providing for the payment of unearned charges by the handlers to the Committee. Comparable provisions for handler charges and the payment of unearned charges, relating to the 1961-62 crop year, are contained in § 990.401 (27 F.R. 441, 3590) of this subpart and continue in effect. This action is pursuant to the marketing agreement and Order No. 990 (7 CFR Part 990), regulating the handling of Central California grapes for crushing, effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

The notice afforded interested persons an opportunity to submit written data, views, or arguments with respect to the

proposal. None were received within the time prescribed therefore.

After consideration of all relevant matters presented, including those in the notice, the information and recommendations submitted by the Grape Crush Administrative Committee, and other available information, it is hereby found that the provisions of § 990.402 of this subpart, as hereinafter set forth, are in accordance with the marketing agreement and order and will tend to effectuate the declared policy of the act.

Therefore, it is ordered, That § 990.402 of Subpart—Establishment of Handler Charges shall read as follows:

§ 990.402 Establishment of charges to compensate handlers for receiving, processing, storing and certain other costs relating to setaside of the 1962-63 crop year.

(a) *Costs*—(1) *General*. Each handler who incurs a setaside obligation during the crop year beginning on July 1, 1962, and sets aside proof gallons of products, or the concentrate equivalent thereof, in accordance with volume regulation in effect under §§ 990.54 and 990.206, shall be compensated as provided in paragraph (b) of this section, for the cost items pertaining to such setaside that are set forth in subparagraph (2) of this paragraph.

(2) Costs of receiving, processing, and storing, and other costs including:

(i) Sugar testing,
(ii) Maintenance and care,
(iii) Insurance, computed on the product at the rate of \$20.00 per ton for an equivalent quantity of fresh grapes at 21 degrees Balling, or \$35.40 per ton for an equivalent quantity of raisin residual material at 37 percent reducing sugar, or the maximum value allowed by carriers for insurance purposes, whichever is less,

(iv) County taxes,

(v) Loading out for delivery to the Grape Crush Administrative Committee, or its designee, for ultimate disposition, and

(vi) The processing of dessert wine to a condition which is acceptable for interwinery sales.

(b) *Establishment of charges*—(1) *General*. Each handler may deduct from money owed any producer (or his successor in interest) the total amount per ton prescribed in subparagraph (2) or (3) of this paragraph, as applicable, for each ton of that quantity of grapes for crushing obtained by applying the surplus percentage for the crop year established by § 990.206, adjusted to any subsequent reduction of such percentage, to the total receipts of grapes for crushing from such person during the crop year beginning on July 1, 1962, at premises within the State of California controlled or operated by such handler. For the purposes of this paragraph only, "total receipts of grapes for crushing" shall not include those varieties of grapes for crushing exempted by § 990.205 from volume regulation for that crop year.

(2) *Grapes for crushing, other than raisin residual material*. The amount which each handler may deduct in accordance with this section for grapes for crushing, other than raisin residual

material, shall be \$12.00 per ton. Of such amount, \$8.50 per ton shall constitute the charge for costs incurred during the crop year beginning on July 1, 1962; and \$3.50 per ton shall constitute the charge for costs incurred during the crop year beginning on July 1, 1963.

(3) *Raisin residual material*. The amount which each handler may deduct in accordance with this section for raisin residual material shall be \$27.50 per ton. Of such amount, \$21.25 per ton shall constitute the charge for costs incurred during the crop year beginning on July 1, 1962; and \$6.25 per ton shall constitute the charge for costs incurred during the crop year beginning on July 1, 1963.

(c) *Unearned handler charges*—(1) *General*. Handlers shall pay to the Grape Crush Administrative Committee unearned charges arising from the removal of setaside from their storage, as set forth in subparagraphs (2) and (3) of this paragraph, due to disposition or sale of setaside by the Committee or to handler requests.

(2) *Disposition or sale of setaside*. If the Committee notifies the handler by July 15, 1963, of its intent to remove for disposition or sale setaside from the handler's storage and removes such setaside by October 1, 1963, the handler shall pay with respect to such setaside the rate per ton established either in subparagraph (2) or (3) of paragraph (b) of this section, as applicable, for costs incurred during the crop year beginning on July 1, 1963, less the cost of earned insurance premiums paid and taxes paid for the period of storage after June 30, 1963.

(3) *Removal of setaside upon handler's request*—(i) *Prior to July 1, 1963*. If prior to July 1, 1963, the Committee removes setaside from a handler's storage pursuant to a request from the handler, the handler shall pay with respect to such setaside \$1.75 per ton for the equivalent quantity of fresh grapes and \$3.10 per ton for the equivalent quantity of raisin residual material, less the cost of earned insurance premiums paid and taxes paid for the period of actual storage, plus the rate per ton established either in subparagraph (2) or (3) of paragraph (b) of this section, as applicable, for costs incurred during the crop year beginning on July 1, 1963.

(ii) *During crop year beginning on July 1, 1963*. If during the crop year beginning on July 1, 1963, the Committee removes setaside arising in the preceding crop year from a handler's storage pursuant to a request from the handler, the handler shall pay with respect to such setaside the rate per ton established either in subparagraph (2) or (3) of paragraph (b) of this section, as applicable, for costs incurred during the crop year beginning on July 1, 1963, less the cost of earned insurance premiums paid and taxes paid for the period of storage after June 30, 1963.

It is hereby further found that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1003(c)) in that: (1) The 1962-63 crop year began July 1, 1962, and since then handlers have been incurring setaside obligations with respect

to grapes for crushing; (2) handlers have been incurring expenses of receiving, processing, storing and other costs of setaside in satisfaction of such obligations; (3) the charges contained herein will automatically apply from July 1, 1962; (4) it is necessary that the provisions with respect to unearned charges be made effective promptly so handlers will be able to conduct their operations accordingly; and (5) no advance preparation by handlers is required to comply with this subpart.

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

Dated: December 28, 1962.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable
Division, Agricultural Mar-
keting Service.

[F.R. Doc. 63-41; Filed Jan. 2, 1963;
8:49 a.m.]

Chapter X—Agricultural Stabilization and Conservation Service, Depart- ment of Agriculture

MILK IN DESIGNATED MARKETING AREAS

Order Suspending Certain Provisions of the Orders

In the matter of:

7 CFR Parts and Marketing Areas

1001 Boston, Mass.
1003 Washington, D.C.
1006 Springfield, Mass.
1007 Worcester, Mass.
1008 Greater Wheeling, W. Va.
1009 Clarksburg, W. Va.
1011 Appalachian.
1013 Southeastern Florida.
1014 Southeastern New England.
1015 Connecticut.
1016 Upper Chesapeake Bay.
1031 South Bend-LaPorte-Elkhardt, Ind.
1033 Greater Cincinnati.
1036 Northeastern Ohio.
1038 Rock River Valley.
1040 Southern Michigan.
1045 Northeastern Wisconsin.
1046 Louisville-Lexington-Evansville.
1047 Fort Wayne, Ind.
1048 Greater Youngstown-Warren.
1051 Madison, Wis.
1061 St. Joseph, Mo.
1063 Quad Cities-Dubuque.
1064 Greater Kansas City.
1065 Nebraska-Western Iowa.
1067 Ozarks.
1068 Minneapolis-St. Paul, Minn.
1069 Duluth-Superior.
1070 Cedar Rapids-Iowa City.
1071 Neosho Valley.
1072 Sioux Falls-Mitchell, S. Dak.
1073 Wichita, Kans.
1094 New Orleans, La.
1096 Northern Louisiana.
1098 Nashville, Tenn.
1103 Central Mississippi.
1104 Red River Valley.
1105 Mississippi Delta.
1106 Oklahoma Metropolitan.
1107 Mississippi Gulf Coast.
1120 Lubbock-Plainview, Tex.
1125 Puget Sound, Wash.
1126 North Texas.
1127 San Antonio, Tex.
1128 Central West Texas.
1133 Inland Empire.
1135 Colorado Springs-Pueblo.
1136 Great Basin.
1137 Eastern Colorado.
1138 Rio Grande Valley.

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the orders regulating the handling of milk in the above designated marketing areas, it is hereby found and determined that:

(a) The following provisions of the respective orders, at this time and in the circumstances now existing, do not tend to effectuate the declared policy of the Act:

Part 1001—Regulating the Handling of Milk in the Greater Boston, Massachusetts, Marketing Area:

The following provisions relating to compensatory payments on unpriced outside milk allocated to Class I at regulated plants or distributed as Class I milk on routes in the marketing area:

(1) In § 1001.65, the following provisions:

(i) In the title thereof the words "outside milk and";

(ii) In the introductory text of paragraph (a) the paragraph designation "(a)", the language "receipts of outside milk, or", the comma appearing between the words "order, shall", and the language "as follows:";

(iii) In paragraph (a)(1) the subparagraph designation "(1)", the language "or (j)", and the last sentence;

(iv) Paragraph (a)(2); and

(v) Paragraph (b).

The suspension of such provisions will result in § 1001.65 reading as follows:

§ 1001.65 Payments on receipts from other Federal order plants.

Within 18 days after the end of each month, handlers shall make payments to producers, through the market administrator as follows:

Each handler operating a regulated plant at which there are assigned to Class I milk receipts from other Federal order plants which are not classified and priced as Class I milk under the other Federal order shall make payment on such receipts assigned pursuant to § 1001.25(1) at the difference between the price pursuant to § 1001.40 and the price pursuant to § 1001.41 applicable at the zone location of the unregulated plant.

(2) In § 1001.72, the language "and to the quantity of his route disposition in the marketing area which is subject to payments under § 1001.65(b)".

Part 1003—Regulating the Handling of Milk in the Washington, D.C., Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk (1) received in fluid form at pool plants and allocated to Class I, (2) distributed on routes in the marketing area by nonpool distributing plants, and (3) in inventory reclassified at pool plants:

(1) Paragraphs (b) and (c) of § 1003.62.

(2) In § 1003.70(b), the provision "or (b);" appearing as part of the phrase "pursuant to § 1003.62 (a) or (b);".

(3) Section 1003.70(e).

(4) In § 1003.88, the provision "or (c) Class I milk for which a payment is due pursuant to § 1003.62(c)".

Part 1006—Regulating the Handling of Milk in the Springfield, Massachusetts, Marketing Area:

The following provisions relating to compensatory payments on unpriced outside milk allocated to Class I at regulated plants or distributed as Class I milk on routes in the marketing area:

(1) In § 1006.65, the following provisions:

(i) In the title thereof the words "outside milk and";

(ii) In the introductory text of paragraph (a) the paragraph designation "(a)", the language "receipts of outside milk, or", the comma appearing between the words "order, shall", and the language "as follows:";

(iii) In paragraph (a)(1) the subparagraph designation "(1)", the language "or (m)", and the last sentence;

(iv) Paragraph (a)(2); and

(v) Paragraph (b).

The suspension of such provisions will result in § 1006.65 reading as follows:

§ 1006.65 Payments on receipts from other Federal order plants.

Within 18 days after the end of each month, handlers shall make payments to producers, through the market administrator as follows:

Each handler operating a regulated plant at which there are assigned to Class I milk receipts from other Federal order plants which are not classified and priced as Class I milk under the other Federal order shall make payment on such receipts assigned pursuant to § 1006.25(1) at the difference between the price pursuant to § 1006.40 and the price pursuant to § 1006.41 applicable at the zone location of the unregulated plant.

(2) In § 1006.72, the language "and to the quantity of his route disposition in the marketing area which is subject to payments under § 1006.65(b)".

Part 1007—Regulating the Handling of Milk in the Worcester, Massachusetts, Marketing Area:

The following provisions relating to compensatory payments on unpriced outside milk allocated to Class I at regulated plants or distributed as Class I milk on routes in the marketing area:

(1) In § 1007.65, the following provisions:

(i) In the title thereof the words "outside milk and";

(ii) In the introductory text of paragraph (a) the paragraph designation "(a)", the language "receipts of outside milk, or", the comma appearing between the words "order, shall", and the language "as follows:";

(iii) In paragraph (a)(1) the subparagraph designation "(1)", the language "or (m)", and the last sentence;

(iv) Paragraph (a)(2); and

(v) Paragraph (b).

The suspension of such provisions will result in § 1007.65 reading as follows:

§ 1007.65 Payments on receipts from other Federal order plants.

Within 18 days after the end of each month, handlers shall make payments to producers, through the market administrator as follows:

Each handler operating a regulated plant at which there are assigned to Class I milk receipts from other Federal order plants which are not classified and priced as Class I milk under the other Federal order shall make payment on such receipts assigned pursuant to § 1007.25(1) at the difference between the price pursuant to § 1007.40 and the price pursuant to § 1007.41 applicable at the zone location of the unregulated plant.

(2) In § 1007.72, the language "and to the quantity of his route disposition in the marketing area which is subject to payments under § 1007.65(b)".

Part 1008—Regulating the Handling of Milk in the Greater Wheeling Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk (1) distributed on routes in the marketing area, (2) received in fluid and nonfluid product form at pool plants and allocated to Class I, and (3) in inventory reclassified at pool plants:

(1) Section 1008.54.

(2) Section 1008.62.

(3) Section 1008.70(b).

(4) In § 1008.70(d), the provision "and (2) any amount obtained by multiplying any plus amount remaining after the calculation pursuant to § 1008.46(b) by the rate of compensatory payment pursuant to § 1008.54(a)".

(5) Section 1008.71(e).

(6) In § 1008.72(c), the provision "then add the total amount of payments due pursuant to § 1008.62," which appears as the last phrase in the paragraph.

(7) In § 1008.75(d), the provisions "or 1008.62" which appears in the phrase "pursuant to §§ 1008.82, 1008.85, or 1008.62".

(8) In § 1008.81, the provision "1008.62" which appears in the phrase "pursuant to §§ 1008.62, 1008.82, and 1008.84".

(9) Section 1008.86(d).

(9) Section 1008.86(d).

Part 1009—Regulating the Handling of Milk in the Clarksburg Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk (1) distributed on routes in the marketing area, (2) received in fluid and nonfluid product form at pool plants and allocated to Class I, and (3) in inventory reclassified at pool plants:

(1) Section 1009.54.

(2) Section 1009.62.

(3) Section 1009.70(b).

(4) In § 1009.70(d), the provision "and (2) any amount obtained by multiplying any plus amount remaining after the calculation pursuant to § 1009.46(b) by the rate of compensatory payment pursuant to § 1009.54(a)".

(5) Section 1009.71(e).

(6) In § 1009.72(c), the provision "then add the total amount of payments due pursuant to § 1009.62," which appears as the last phrase in the paragraph.

(7) In § 1009.75(d), the provision "or § 1009.62" which appears in the phrase "pursuant to §§ 1009.82, 1009.85, and 1009.86, or 1009.62".

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(8) In § 1009.81, the provision "1009.62" which appears in the phrase "pursuant to §§ 1009.62, 1009.82 and 1009.84".

(9) Section 1009.86(d).

Part 1011—Regulating the Handling of Milk in the Appalachian Marketing Area:

The following provisions relating to compensatory payments on unpriced other source (1) fluid milk product allocated to Class I at pool plants, (2) distributed in the marketing area from unregulated sources, and (3) in inventory which is reclassified at pool plants:

(1) Paragraphs (b) and (d) of § 1011.62.

(2) In § 1011.70(c), the provision "(b)," which appears in the phrase "pursuant to § 1011.62 (a), (b) and (c);".

(3) Section 1011.70(e).

(4) In § 1011.93, the provision "1011.62 (d)," which appears in the phrase "pursuant to §§ 1011.62(d), 1011.94, and 1011.96".

(5) Section 1011.98(b).

Part 1013—Regulating the Handling of Milk in the Southeastern Florida Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk allocated to Class I milk at pool plants:

(1) All the provisions of § 1013.52 except the provisions:

§ 1013.52 Rate of compensatory payment.

(a) The rate of compensatory payment per hundredweight to be paid by nonpool plants pursuant to § 1013.62(a), shall be calculated as follows:

(1) If the nonpool plant described in § 1013.62(a) is located in the State of Florida, subtract the Class II price from the Class I price adjusted by the Class I location differential at the nonpool plant; or

(2) If the nonpool plant described in § 1013.62(a) is located outside the State of Florida, subtract the price pursuant to § 1013.50(b) (2) from the Class I price adjusted by the Class I location differential at the nonpool plant.

(2) Paragraphs (c) (2) and (d) of § 1013.70.

Part 1014—Regulating the Handling of Milk in the Southeastern New England Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at regulated plants or distributed as Class I milk on routes in the marketing area:

(1) In § 1014.46, paragraphs (b), (d) and (e).

(2) In § 1014.50(b), the language "(a), (b), or (c)".

(3) Section 1014.51(d).

(4) In § 1014.64, the reference "1014.46(d) and (e)".

(5) Section 1014.70(c).

Part 1015—Regulating the Handling of Milk in the Connecticut Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at regulated plants or dis-

tributed as Class I milk on routes in the marketing area:

(1) In § 1015.46, paragraphs (b), (d) and (e).

(2) In § 1015.50(b), the language "(a), (b), or (c)".

(3) In § 1015.64, the reference "1015.46(d) and (e)".

(4) Section 1015.70(b).

Part 1016—Regulating the Handling of Milk in the Upper Chesapeake Bay Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk (1) received in fluid form and allocated to Class I at pool plants, (2) distributed on routes in the marketing area, and (3) in inventory reclassified at pool plants:

(1) Paragraphs (b) and (d) of § 1016.62.

(2) In § 1016.70(b), the provision "(b)" which appears in the phrase "pursuant to § 1016.62(a), (b) and (c)".

(3) Section 1016.70(e).

(4) In § 1016.88, the provision "and (d) Class I milk for which a payment is due pursuant to § 1016.62(d)".

Part 1031—Regulating the Handling of Milk in the South Bend-LaPorte-Elkhart Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I in pool plants or distributed in the marketing area from nonpool plants:

(1) Section 1031.70(a) (1).

(2) Section 1031.70(b).

Part 1033—Regulating the Handling of Milk in the Greater Cincinnati Marketing Area:

The following provision relating to compensatory payments on other source milk allocated to Class I at pool plants:

(1) In § 1033.60 the following provisions:

(i) "and (e) add an amount computed by multiplying the pounds of other source milk subtracted from Class I milk and Class II milk pursuant to § 1033.46(a) (2) and the corresponding step of (b) by the difference between the price for milk (of the same butterfat content) in the class from which subtracted and the price computed pursuant to § 1033.50, adjusted to the same test by the Class III butterfat differential (other than butter): *Provided, That*, and

(ii) "": (1) This paragraph, (2) paragraph (d) of this section on milk which is in excess of producer milk classified as Class II milk for the preceding month, or (3)".

Part 1036—Regulating the Handling of Milk in the Northeastern Ohio Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants:

(1) Section 1036.70(e).

The following provision relating to compensatory payments on Class I sales in the marketing area by nonpool plants:

(2) Section 1036.84(b).

Part 1038—Regulating the Handling of Milk in the Rock River Valley Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants:

(1) In § 1038.60(c) the provisions:

(i) "and (4)"

(ii) The final "s" in the word "steps", and

(iii) The word "fluid" where it first appears.

The suspension of such provisions will result in the text reading as follows:

(c) Add the amount obtained by multiplying the quantities of skim milk and butterfat subtracted from Class I milk pursuant to § 1038.46(a) (3) and the corresponding step of § 1038.46(b) by the rate of payment on unpriced milk pursuant to § 1038.55 at the nearest nonpool plants from which an equivalent amount of such other source skim milk or butterfat was received: *Provided*, That if the source of any such milk product received at a pool plant is not clearly established, or if such skim milk and butterfat is received in a form other than a fluid milk product, such product shall be considered to have been received from a source at the location of the pool plant where it is classified; and

and

(2) Section 1038.60(d) (2).

Part 1040—Regulating the Handling of Milk in the Southern Michigan Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants:

(1) Section 1040.60(d).

Part 1045—Regulating the Handling of Milk in the Northeastern Wisconsin Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants:

(1) Section 1045.60(d).

Part 1046—Regulating the Handling of Milk in the Louisville-Lexington-Evansville Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk received in fluid and nonfluid form allocated to Class I at pool plants:

(1) In the introductory text preceding § 1046.61(a) (1), for the months of January through September, the following provisions:

(i) "Each handler operating a pool plant who received other source milk during the month shall pay to the market administrator on or before the 15th day after the end of the month an amount for deposit in the producer-settlement fund equal to".

(ii) "Multiplied by the hundredweight of skim milk and butterfat allocated to Class I pursuant to § 1046.46(a) (3) and the corresponding step of § 1046.46(b) :".

(2) In § 1046.61(a) (1), for the months of January through September, the provision "at the nearest plant(s) from which an equivalent amount of other source milk was received".

(3) Section 1046.61(b), for the months of January through September.

The suspension of provisions under numbers 1, 2 and 3 (above) will result in the text reading as follows during January through September:

§ 1046.61 Payments on other source milk by handlers operating pool plants.

(a) The rate of payment resulting from the computations in subparagraphs (1) and (2) of this paragraph;

(1) For the months of January through September, subtract from the Class I price adjusted by the Class I butterfat and location differentials the Class II price adjusted by the Class II butterfat differential; and

(2) For the months of October through December, subtract from the Class I price adjusted by the Class I butterfat differential the uniform price computed pursuant to § 1046.71 adjusted by the producer butterfat differential.

Part 1047—Regulating the Handling of Milk in the Fort Wayne, Indiana, Marketing Area:

The following provisions relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) Section 1047.63(b) and
(2) Paragraphs (e) and (f) of § 1047.70.

Part 1048—Regulating the Handling of Milk in the Greater Youngstown-Warren Marketing Area:

The following provisions relating to compensatory payments on other source milk allocated to Class I at pool plants:

(1) Section 1048.54,
(2) Section 1048.70(b); and
(3) In § 1048.70(d) the provision "and (2) the amount obtained by multiplying the hundredweight of skim milk and butterfat remaining after the calculation pursuant to § 1048.46(b) by the rate of compensatory payments pursuant to § 1048.54."

The following provision relating to compensatory payments on Class I sales in the marketing area by nonpool plants:
(4) Section 1048.62.

Part 1051—Regulating the Handling of Milk in the Madison, Wisconsin Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants:

(1) In § 1051.60(c) the provisions:
(i) "and (4)",
(ii) The final "s" in the words "steps", and
(iii) The word "fluid" where it first appears.

The suspension of such provisions would result in the text reading as follows:

(c) Add the amount obtained by multiplying the quantities of skim milk and butterfat subtracted from Class I milk pursuant to § 1051.46(a) (3) and the corresponding step of § 1051.46(b) by the rate of payment on unpriced milk pursuant to § 1051.55 at the nearest nonpool plants from which an equivalent amount of such other source skim milk and butterfat was received: *Provided*, That if the source of any such milk product re-

ceived at a pool plant is not clearly established, or if such skim milk and butterfat is received or used in a form other than a fluid milk product, such product shall be considered to have been received from a source at the location of the pool plant where it is classified, and

and
(2) Section 1051.60(d) (2).

Part 1061—Regulating the Handling of Milk in the St. Joseph Marketing Area:

The following provision relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1061.70, subparagraph (2) of paragraph (c), and paragraph (d).

Part 1063—Regulating the Handling of Milk in the Quad Cities-Dubuque Marketing Area:

The following provision relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1063.70(d), for the months of December through June, the provision "and (4)" appearing as a part of the phrase "pursuant to § 1063.46(a) (3) and (4)".

Part 1064—Regulating the Handling of Milk in the Greater Kansas City Marketing Area:

The following provision relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) All of § 1064.70(d).

Part 1065—Regulating the Handling of Milk in the Nebraska-Western Iowa Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1065.70 paragraphs "(e)" and "(f)".

Part 1067—Regulating the Handling of Milk in the Ozarks Marketing Area:

The following provision relating to compensatory payments on other source milk allocated to Class I at pool plants:

(1) Section 1067.70(b).

Part 1068—Regulating the Handling of Milk in the Minneapolis-St. Paul Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants or disposed of in the marketing area from nonpool plants:

(1) Section 1068.70(a) (2).
(2) Section 1068.70(b).

Part 1069—Regulating the Handling of Milk in the Duluth-Superior Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk allocated to Class I at pool plants:

(1) Section 1069.70(c).

Part 1070—Regulating the Handling of Milk in the Cedar Rapids-Iowa City Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants, or disposed of on routes in the marketing area by nonpool plants:

(1) In § 1070.70(d), for the months of December through June, the provision "(2) and" appearing as a part of the phrase "pursuant to § 1070.46(a) (2) and (3)".

(2) In § 1070.62, for the months of December through June the provision: "except that such handler shall, on or before the 13th day after the end of each month pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the total hundredweight of butterfat and skim milk disposed of as Class I milk from such plant to retail or wholesale outlets (including sales by vendors and plant stores) in the marketing area during the month, by the rate determined pursuant to § 1070.63"

The suspension of such provisions will result in the text reading as follows during such months:

§ 1070.62 Handlers operating nonpool plants.

None of the provisions from §§ 1070.44 to 1070.52, inclusive, or from §§ 1070.70 to 1070.85, inclusive, shall apply in the case of a handler in his capacity as the operator of a nonpool plant.

Part 1071—Regulating the Handling of Milk in the Neosho Valley Marketing Area:

The following provisions relating to compensatory payments on route sales made in the marketing area by nonpool distributing plants:

(1) All of § 1071.62(b).

Part 1072—Regulating the Handling of Milk in the Sioux Falls-Mitchell Marketing Area:

The following provisions relating to compensatory payments on other source milk allocated to Class I at pool plants or disposed of as Grade A Class I milk in the marketing area by unapproved plants:

(1) Section 1072.55, and
(2) In § 1072.60, paragraph "(c)".

Part 1073—Regulating the Handling of Milk in the Wichita, Kansas, Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

(1) All of § 1073.70(e).
(2) All of § 1073.70(f).

Part 1094—Regulating the Handling of Milk in the New Orleans Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk, excluding receipts of fluid milk products in consumer packages from nonpool distributing plants allocated as Class I milk at pool plants:

(1) Section 1094.54 in its entirety.
(2) Paragraphs (b), (c) and (e) of § 1094.70.

Part 1096—Regulating the Handling of Milk in the Northern Louisiana Marketing Area:

The following provisions relating to the rate of payment on unpriced milk and to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1096.63 paragraph "b".
(2) In § 1096.70 paragraphs "(c)", "(d)", and "(f)".

Part 1098—Regulating the Handling of Milk in the Nashville, Tennessee, Marketing Area:

The following provisions relating to compensatory payments on unpriced other source fluid milk allocated to Class I at pool plants and on both fluid and nonfluid other source milk in inventory reclassified at pool plants:

(1) Subparagraphs (2) and (3) of § 1098.70(d).

Part 1103—Regulating the Handling of Milk in the Central Mississippi Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in the form of fluid milk products allocated to Class I milk at pool plants:

(1) Paragraph (b) of § 1103.54 in its entirety.

(2) Paragraph (e) of § 1103.70 in its entirety.

Part 1104—Regulating the Handling of Milk in the Red River Valley Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1104.62, for the months of February through July, the provisions:

(i) "and 1104.31",

(ii) "and payments to",

(iii) "and, on or before the 12th day of each month, he shall pay to the market administrator an amount computed by multiplying the total volume of Class I milk disposed of on routes in the marketing area from such nonpool plant during the preceding month by the rate of compensatory payment computed pursuant to § 1104.53."

The suspension of such provisions would result in the text reading as follows: "Each handler who is the operator of a nonpool plant which is not subject to the classification and pricing provisions of another order issued pursuant to the Act, shall report as required pursuant to § 1104.30, reporting receipts from dairy farmers in lieu of such information with respect to producers, and shall allow verification of such reports."

(2) In § 1104.70(b), for the months of February through July, the provision "and (4)" appearing as a part of the phrase "pursuant to § 1104.46(a) (2), (3) and (4)".

Part 1105—Regulating the Handling of Milk in the Mississippi Delta Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in the form of fluid milk products allocated to Class I milk at pool plants:

(1) Paragraph (b) of § 1105.53 in its entirety.

(2) Paragraph (e) and (f) of § 1105.70 in their entireties.

Part 1106—Regulating the Handling of Milk in the Oklahoma Metropolitan Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

nonpool plants:

(1) All of § 1106.70(a) (3) (ii).

(2) In § 1106.70(a) (3) (iii) the provision "and (4)" appearing as part of the phrase "pursuant to § 1106.46(a) (2), (3) and (4)".

(3) In § 1106.70(b) (2) the provision "and (4)" appearing as part of the phrase "pursuant to § 1106.46(a) (2), (3) and (4)".

Part 1107—Regulating the Handling of Milk in the Mississippi Gulf Coast Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in the form of fluid milk products allocated to Class I milk at pool plants:

(1) Paragraph (b) of § 1107.53 in its entirety.

(2) Paragraph (e) and (f) of § 1107.70 in their entireties.

Part 1120—Regulating the Handling of Milk in the Lubbock-Plainview, Texas Marketing Area:

The following provision relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1120.70 the paragraphs "(c)" and "(e)".

Part 1125—Regulating the Handling of Milk in the Puget Sound Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk allocated to Class I at fluid milk plants and country plants or disposed of in the marketing area as Class I milk by nonpool plants:

(1) In § 1125.70 subparagraph "(a) (6)" and paragraph "(b)".

Part 1126—Regulating the Handling of Milk in the North Texas Marketing Area:

The following provisions relating to compensatory payments on other source milk in fluid form allocated to Class I milk at pool plants:

(1) In § 1126.70(c), the provision "and (4)".

(2) Section 1126.70(e).

Part 1127—Regulating the Handling of Milk in the San Antonio, Texas, Marketing Area:

For the months of February through July, the following provisions relating to compensatory payments on other source milk in fluid form allocated to Class I milk at pool plants:

(1) In § 1127.46(5), the provision "other than condensed skim milk or nonfat dry milk".

(2) Section 1127.46(6).

(3) In § 1127.60 the provision "and, in the event he has disposed of on routes in the marketing area Class I milk which was neither classified nor priced under such other order or on which a compensatory payment was not made under any other order, shall pay to the market administrator on or before the 13th day of each month an amount computed by multiplying the total volume of such Class I milk disposed of on routes in the marketing area from such plant during the preceding month by the rate of compensatory payment computed pursuant to § 1127.63".

(4) Section 1127.61.

(5) In § 1127.65, the provision "which has not been subject to the classification

and Class I pricing provisions of another order issued pursuant to the Act or on which compensatory payments has not been made pursuant to another order and which is assigned to Class I use at pool plants or which is disposed of as Class I milk on routes in the marketing area from nonpool plants".

(6) In § 1127.70(a) (3), the provision "through 7".

(7) In § 1127.70(b) (2), the provision "through 7".

Part 1128—Regulating the Handling of Milk in the Central West Texas Marketing Area:

The following provision relating to compensatory payments on any other source milk in fluid form in inventory at fluid milk plants:

(1) Section 1128.70(c).

Part 1133—Regulating the Handling of Milk in the Inland Empire Marketing Area:

The following provision relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

(1) Paragraph (e) of § 1133.70 in its entirety.

Part 1135—Regulating the Handling of Milk in the Colorado Springs-Pueblo Marketing Area:

The following provision relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) Section 1135.70(d) (2).

Part 1136—Regulating the Handling of Milk in the Great Basin Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

(1) In § 1136.70, the provisions:

(i) Subparagraph (2) of paragraph (b) in its entirety; and

(ii) Subparagraph (3) of paragraph (d) in its entirety.

Part 1137—Regulating the Handling of Milk in the Eastern Colorado Marketing Area:

The following provision relating to compensatory payments on other source milk in fluid form allocated to Class I at pool plants:

(1) In the introductory text of § 1137.70(d) the provision "(2) and (3)" appearing as part of the phrase "in subparagraph (1), (2), and (3)".

(2) All of § 1137.70(d) (2).

(3) All of § 1137.70(d) (3).

Part 1138—Regulating the Handling of Milk in the Rio Grande Valley Marketing Area:

The following provisions relating to compensatory payments on unpriced other source milk in fluid form allocated to Class I at pool plants:

(1) All of § 1138.70(c) (2).

(2) All of § 1138.70(e).

(3) In § 1138.70(d) the phrase "which is in excess of the skim milk and butterfat applied pursuant to paragraph (c) of this section".

(b) Thirty days notice of effective date hereof is impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(2) By notice issued November 9, 1962 (27 F.R. 11276) interested parties were afforded opportunity to present views, data and arguments with respect to proposed suspension action affecting 63 milk marketing orders with respect to certain compensatory payment and pooling provisions of the respective orders.

(3) In each of the above designated orders the provisions to be suspended included provisions on which full opportunity for examination and the development of pertinent evidence will be offered to all interested parties at hearings to be conducted, with respect to (i) unpriced other source milk in fluid form assigned to Class I in plants fully regulated by such order, and (ii) other source milk disposed of on routes in the marketing area by plants not fully regulated under any order issued pursuant to the Act. The hearings are scheduled to begin at Washington on January 2, 1963; at St. Louis, Missouri, on January 8, 1963; and at Denver, Colorado, on January 14, 1963.

The compensatory payment provisions hereby suspended were included in the above designated orders on the basis of evidence which should be reconsidered and brought up to date in the light of the defects found in the provisions invalidated by the Supreme Court in *Lehigh Valley Cooperative Farmers, Inc., et al. vs United States, et al.* In view of the uncertainties raised by that decision and in view of the fact that hearings are being held to determine the best means for integrating other source milk into the class price and pooling plans established by the Federal milk orders and pending a decision on these matters, it is determined that these provisions do not, in these circumstances, tend to effectuate the declared policy of the Act and they should be suspended.

Suspension of such compensatory payment provisions is not provided herein with respect to the milk marketing orders for the following marketing areas for which notice of consideration of such suspension was given: Part 1030, Chicago, Ill.; Part 1032, Suburban St. Louis; Part 1049, Indianapolis, Ind.; Part 1062, St. Louis, Mo.; Part 1066, Sioux City, Iowa; Part 1075, Black Hills, S. Dakota; Part 1076, Eastern South Dakota; Part 1079, Des Moines, Iowa; Part 1090, Chattanooga, Tenn.; Part 1099, Paducah, Ky.; Part 1101, Knoxville, Tenn.; Part 1108, Central Arkansas; and Part 1132, Texas Panhandle.

The payment provisions for which suspension was proposed with respect to such orders would not have again been effective prior to March 1, 1963. Subsequent to issuance of the notice, interested parties have been given opportunity to submit proposals for amendment of each of such orders to include alternative provisions with respect to treatment of the milk affected by such payment provisions. Plans are now in progress for public hearings at an early date on such proposals. In view of the possibility that amendment action may be taken through this procedure,

decision with respect to suspension of compensatory payments in these orders is being deferred until such time as it may be determined whether amendatory action can be completed before the payment provisions would again be in effect.

(4) Views, data and arguments received in response to the notice issued November 9, 1962, were predominantly opposed to the proposed suspension of pool plant provisions establishing standards under which distributing plants and supply plants have their receipts included in the market pools. For substantially all of the 44 orders included in this suspension notice for which suspension of plant pooling standards was proposed it was claimed that, for the period required for amendment action with respect to compensatory payments, more orderly marketing would prevail if these provisions were allowed to remain in the orders. It was pointed out that without such provisions, token shipments of milk not needed for fluid use would result in the total receipts of the plants making such shipments being included in the pool. It was asserted that handlers would continue for this period of time to receive and use milk from the pool sources that now supply their Class I needs and that little or no unpriced milk would be used for Class I purposes in such markets. It is concluded on the basis of such views that suspension of pooling provisions for distributing plants and supply plants may be deferred at this time in these markets. Should there be indications that pool milk is being replaced with unpriced milk, the matter may then be re-examined.

Therefore, good cause exists for making this order effective January 1, 1963, or as specified in the terms of the particular provision.

It is therefore ordered, That the aforesaid provisions of the respective orders are hereby suspended effective January 1, 1963, or as specified in the terms of the particular provision.

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

Effective date: January 1, 1963.

Signed at Washington, D.C., on December 26, 1962.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 63-2; Filed, Jan. 2, 1963;
8:45 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 74—SCABIES IN SHEEP

Interstate Movement

On October 13, 1962, there was published in the FEDERAL REGISTER (27 F.R. 10103), a notice with respect to a proposal to amend § 74.3 of Part 74, as amended, Title 9, Code of Federal Regulations. After due consideration of all

relevant material and pursuant to the provisions of sections 1 through 4 of the Act of March 3, 1905, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, and sections 4 through 7 of the Act of May 29, 1884, as amended (21 U.S.C. 111-113, 115, 117, 120, 121, 123-126), § 74.3 of Part 74, as amended, Title 9, Code of Federal Regulations, is hereby amended to read as follows, § 74.2 remaining unchanged as hereinafter set forth:

§ 74.2 Designation of free and infected areas.

(a) Notice is hereby given that sheep in the following States, Territory, and District, or parts thereof as specified, are not known to be infected with scabies, and such States, Territory, District, and parts thereof, are hereby designated as free areas:

(1) Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Louisiana, Maine, Massachusetts, Mississippi, Montana, Nevada, New Hampshire, North Carolina, North Dakota, Oregon, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Washington, Wisconsin, and Wyoming;

(2) The following Counties in Nebraska: Arthur, Banner, Blaine, Box Butte, Brown, Chase, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Grant, Hooker, Keith, Keya Paha, Kimball, Loup, Morrill, Perkins, Rock, Sheridan, Sioux, Scotts Bluff, and Thomas;

(3) In New Mexico: Catron, Colfax, Dona Ana, Grant, Harding, Hidalgo, Los Alamos, Luna, McKinley, Mora, Rio Arriba, Sandoval, San Juan, San Miguel, Santa Fe, Sierra, Taos, and Union Counties; all of Socorro County except that portion lying east of U.S. Highway 85; and all of Valencia County except that portion lying east of the Rio Puerco river from its intersection with the southwest corner of Bernalillo County to its intersection with the Socorro County line;

(4) The following Counties in Kansas: Republic, Cloud, Ottawa, Saline, McPherson, Harvey, Sedgwick, and Sumner, and all Counties in the State of Kansas lying west thereof;

(5) The following Counties in Michigan: Alcona, Alger, Alpena, Antrim, Baraga, Benzie, Charlevoix, Cheboygan, Chippewa, Crawford, Delta, Dickinson, Emmet, Gogebic, Grand Traverse, Houghton, Iron, Kalkaska, Keweenaw, Leelanau, Luce, Mackinac, Manistee, Marquette, Menominee, Missaukee, Montmorency, Ontonagon, Oscoda, Otsego, Preque Isle, Roscommon, Schoolcraft, and Wexford;

(6) The following Counties in Hawaii: Honolulu and Kauai.

(b) Notice is hereby given also that sheep scabies exists in all States and Territories and parts of States not designated as free areas in paragraph (a) of this section, and they are hereby designated as infected areas.

§ 74.3 Designation of eradication areas.

(a) Notice is hereby given that sheep in the following States, Territory, or parts thereof as specified, are being handled systematically to eradicate scabies in sheep, and such States, Terri-

tory, and parts thereof, are hereby designated as eradication areas:

(1) Illinois, Kentucky, Minnesota, New Jersey, New York, Oklahoma, Pennsylvania, Tennessee, and the Virgin Islands of the United States;

(2) All Counties in Nebraska except Arthur, Banner, Blaine, Box Butte, Brown, Chase, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Grant, Hooker, Keith, Keya Paha, Kimball, Loup, Morrill, Perkins, Rock, Sheridan, Sioux, Scotts Bluff, and Thomas;

(3) In New Mexico: That portion of Socorro County lying east of U.S. Highway 85; that portion of Valencia County lying east of the Rio Puerco river from its intersection with the southwest corner of Bernalillo County to its intersection with the Socorro County line; and all other Counties in New Mexico except Catron, Colfax, Dona Ana, Grant, Harding, Hidalgo, Los Alamos, Luna, McKinley, Mora, Rio Arriba, Sandoval, San Juan, San Miguel, Santa Fe, Sierra, Taos, and Union;

(4) All Counties in Hawaii except Honolulu and Kauai;

(5) The following Counties in Kansas: Washington, Clay, Dickinson, Marion, Butler, Cowley, and all Counties in the State of Kansas lying east thereof.

(Secs. 4-7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791-792, as amended, secs. 1-4, 33 Stat. 1264, as amended, 1265, as amended; 21 U.S.C. 111-113, 115, 117, 120, 121, 123-126; 19 F.R. 74, as amended)

Effective date. The foregoing amendment shall become effective 30 days after publication in the *FEDERAL REGISTER*.

The amendment adds the Territory of the Virgin Islands of the United States to the list of eradication areas since the cooperative sheep scabies eradication program is now being conducted in such Territory. This Territory is presently included in the infected areas as sheep scabies is known to exist therein. After the effective date of this amendment, the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas as contained in 9 CFR Part 74, as amended, will apply to such Territory.

Done at Washington, D.C., this 28th day of December, 1962.

B. T. SHAW,
Administrator,
Agricultural Research Service.

[F.R. Doc. 63-49; Filed, Jan. 2, 1963;
8:49 a.m.]

SUBCHAPTER F—POULTRY IMPROVEMENT PART 145—NATIONAL POULTRY IMPROVEMENT PLAN (CHICKENS AND CERTAIN OTHER POULTRY)

PART 146—NATIONAL TURKEY IMPROVEMENT PLAN (TURKEYS AND CERTAIN OTHER POULTRY)

PART 147—AUXILIARY PROVISIONS ON NATIONAL POULTRY AND TURKEY IMPROVEMENT PLANS

Miscellaneous Amendments

On October 11, 1962, there was published in the *FEDERAL REGISTER* (27 F.R.

9994) a notice of proposed amendments of the National Poultry and Turkey Improvement Plans and Auxiliary Provisions recommended by the 1962 Conference of representatives of the State agencies cooperating in the administration of the Plans. After due consideration of all relevant material submitted in connection with such notice, and pursuant to section 101(b) of the Department of Agriculture Organic Act of 1944, as amended (7 U.S.C. 429) Parts 145, 146 and 147 of Title 9, Code of Federal Regulations, are hereby amended in the following respects:

§ 145.5 [Amendment]

1. Section 145.5 is amended by changing paragraph (a) to read:

(a) Poultry equipment, and poultry houses and the land in the immediate vicinity thereof, shall be kept in sanitary condition, and effective July 1, 1963, the participating flock, its eggs, and all equipment used in connection with the flock shall be separated from non-participating flocks, in a manner acceptable to the Official State Agency. The procedures outlined in §§ 147.31 and 147.32 (a) and (e) of this chapter shall be considered as a guide in determining compliance with this provision.

§ 145.10 [Amendment]

2. Section 145.10 is amended by changing the portion of paragraph (b) preceding figure 3 to read:

(b) *U.S. Performance Tested Parent Stock.* Stock meeting the requirements prescribed in § 145.23. This classification may be applied only to flocks maintained under the direct supervision of the qualifying breeder or by a multiplier designated by the breeder.

§ 145.14 [Amendment]

3. Section 145.14 is amended by changing the last sentence of paragraph (a) to read: "Each lot of antigen used for the whole-blood test shall be approved by the Department and shall be of the polyvalent type."

4. Section 145.14 is further amended by adding two new paragraphs, (g) and (h), to read, respectively:

(g) When evidence indicates that pullorum disease or fowl typhoid outbreaks are occurring in chicks, the Official State Agency may, at its discretion, require additional testing of the flock or flocks involved. If pullorum or typhoid is found, the flock involved immediately loses its classification and must be retested to meet the requirements outlined in § 145.10 (f) or (g). Furthermore, in such cases the Official State Agency may require that the hatching eggs from such flocks be removed from the incubator and destroyed prior to hatching.

(h) Any drug, for which there is scientific evidence of masking the test reaction or hindering the bacteriological recovery of *Salmonella* organisms, shall not be fed or administered to poultry within three weeks prior to a test or bacteriological examination upon which a *Salmonella* classification is based.

§ 145.15 [Amendment]

5. Section 145.15 is amended by changing the first sentence of paragraph (f) to read:

(f) Participants are encouraged to enter random sample tests annually as a further measure of the performance of their stock. * * *

§ 145.19 [Amendment]

6. Section 145.19 is amended by changing paragraph (a) to read:

(a) For ROP participants having an entry in a random sample egg production test as provided in § 145.15(f), the report specified in § 145.26(c).

7. Section 145.19 is further amended by changing the introductory portion of paragraph (b), and subdivisions (ii) and (iii) of subparagraph (3), and subparagraph (11) to read, respectively:

(b) For ROP participants having no entry in a random sample egg production test as provided in § 145.15(f) and for other participants at their request a report comprised of the following:

* * *

(3) * * *

(ii) Individual birds otherwise meeting the requirement of 60 percent production during a period of at least 8 months;

(iii) Families of 6 or more meeting the requirement of 65 percent production during a period of at least 8 months;

* * *

(11) Average egg production of all birds entered for qualification on basis of 8 month or 365 days reported in percentage production and number of eggs, respectively;

8. The present §§ 145.22 through 145.33 are deleted, and the following new §§ 145.22 through 145.28 are issued in lieu thereof:

§ 145.22 U.S. Performance Tested Parent Stock; general.

(a) The Performance Tested Parent Stock classification may be attained by stock represented by an entry in a random sample test for which the records have been included in a combined summary published by the AH Division.

(b) Application for the classification shall be made to the Official State Agency by the breeder of the parent stock. Such application, if acceptable to the Official State Agency, shall be submitted to the AH Division.

§ 145.23 U.S. Performance Tested Parent Stock; qualification.

(a) Stocks offered for qualification under § 145.22 may qualify as:

(1) Performance Tested Parent Stock for egg production when the regressed mean of the stock for income above feed and chick cost per pullet housed, as published in the combined summary, exceeds the overall mean for all entries in all tests or is not significantly different, at the 5 percent level of probability, from the stock with the highest regressed mean.

(2) Performance Tested Parent Stock for meat production when the regressed mean of the stock for rate of growth (av-

erage live weight at completion of test) and for rate of egg production on a hen-housed basis, as published in the combined summary, exceeds the overall mean for all entries in all tests or is not significantly different, at the 5 percent level of probability, from the stock with the highest regressed mean.

(b) Qualification for the U.S. Performance Tested Parent Stock classification shall be determined by the AH Division from records published in the combined summary, and that Division shall notify each applicant and his Official State Agency of his qualification or failure to qualify.

(c) Stock classified as Performance Tested Parent Stock may retain that classification for one year after qualification, provided the stock is maintained under the supervision of the qualifying breeder, and is mated in the same combination, and for one more year when, in addition, the stock has been continuously represented by an entry for which the test results have been included in the combined summary. When the entry on which qualification is based is the progeny of a combination of two stocks which are distributed commercially under different strain or trade names, each stock may be designated as Performance Tested Parent Stock, but this interrelationship shall be specified when the classification of either stock is referred to in advertising or certification.

§ 145.24 U.S. Performance Tested Parent Stock; sale of products.

When products are sold or offered for sale as Performance Tested Parent Stock, the breeder shall be able to substantiate by records filed with the Official State Agency that such products are qualified for this classification.

§ 145.25 Random sample tests; general.

(a) The tests shall obtain specified performance data on representative samples of the stocks of two or more breeders, maintained under equal treatment with respect to housing, feeding, and management, at each test location.

(b) The tests shall be conducted by an impartial public agency.

(c) Samples shall be taken, preferably under the supervision of the Official State Agency, in accordance with the following procedures:

(1) The number and location of all flocks within the State supplying eggs of the grade to be tested shall be determined from Official State Agency records. By a process of drawing at random names or assigned numbers, determination shall be made from which of these flocks the sample is to be taken. The flock or flocks from which the sample is taken must include at least 1,000 birds.

(2) The eggs shall be taken from the nests, the farm egg room, or cases of hatching eggs or setting trays in the hatchery, in proportion to the number of birds in each flock represented.

(3) The sample shall not include eggs which, in the opinion of the sample taker, are unsuitable for hatching.

(4) The sample shall be placed in an appropriate container and the container

sealed with a distinctive seal or sealing tape by the sample taker.

(5) The sample taker shall furnish the Official State Agency and the test supervisor with a detailed report of the procedures followed in obtaining each sample.

(d) Entries shall be maintained in two or more replicates and the performance of the replicates recorded separately.

(e) Pen assignments shall be made at random to reduce to a minimum any bias in results due to pen location.

§ 145.26 Random sample egg production test.

(a) A minimum of 50 pullet chicks, hatched from the egg sample, shall be started for each entry.

(b) Records shall be kept on the performance of each entry until the birds reach 500 days of age.

(c) At the end of the test, and no later than November 1, the Supervisor shall submit to the AH Division, for analysis and publication, a summary for each entry covering the following items:

(1) Name and address of entrant and the source of the sample;

(2) Breed or cross of breeds entered (indicating if entry is a pure strain, line cross, strain cross, breed cross, incross, incrossbred or synthetic);

(3) Strain or trade name;

(4) Percent mortality to 150 days of age or subsequent age at housing;

(5) Percent laying house mortality computed from 150 days of age or subsequent age at housing to 500 days of age;

(6) Days of age to 50 percent production calculated from the first day of the first two consecutive days of 50 percent production for living birds in the entry at that time;

(7) Number of eggs per pullet housed to 500 days of age;

(8) Percent hen-day production from the time the birds reached 50 percent production to 500 days of age;

(9) Income over feed and chick cost per pullet housed, with chick cost in 1,000 lots at hatch date adjusted for mortality (accidental deaths, sexing errors and missing chicks not included);

(10) Pounds of feed per 24 ounces of eggs produced (weight of eggs produced shall be computed from production and egg weight records (bulk weighings) for each two week period throughout the test);

(11) Average annual egg weight computed from bulk weighings at least every two weeks or two days a month at equal intervals;

(12) Body weight at 150 days of age or subsequent age at housing and at the end of test;

(13) Albumen quality—Haugh Units measured on one day's eggs per quarter or every three months, at equal intervals, broken-out basis;

(14) Percentage of eggs with large blood spots, $\frac{1}{8}$ inch or more, computed from at least three days' eggs per quarter, broken-out basis;

(15) Percentage of eggs with small blood spots, less than $\frac{1}{8}$ inch, computed from at least three days' eggs per quarter, broken-out basis;

(16) Percentage of eggs with large colored meat spots, $\frac{1}{8}$ inch or more, computed from at least three days' eggs per quarter, broken-out basis;

(17) Percentage of eggs with small colored meat spots, less than $\frac{1}{8}$ inch, computed from at least three days' eggs per quarter, broken-out basis;

(18) Shell thickness by direct measurement to the nearest $\frac{1}{1000}$ inch from at least one breakout each quarter.

§ 145.27 Random sample meat production test.

(a) For the growing phase:

(1) An entry shall consist of at least 200 chicks hatched from a sample of eggs obtained as prescribed in § 145.25 or from an entry of the stock in the laying phase;

(2) Records shall be kept on the performance of each entry for a period determined by the test management;

(3) At the end of the test and no later than February 1, the Supervisor shall submit to the AH Division, for analysis and publication, a summary for each entry covering the following items:

(i) Name and address of the entrant and the source of the sample;

(ii) Breed and strain or trade name of stock entered (including, for entries involving a cross of stocks, the identification of the stocks represented by the males and females in the parent flock);

(iii) Viability of chicks started to completion of test;

(iv) Average live weight of all pullets at completion of test;

(v) Average live weight of all cockerels at completion of test;

(vi) Percent eviscerated yield, by sexes, based on the live and eviscerated weights of all birds, or at least 50 birds of each sex selected at random, at the completion of the test;

(vii) Percent weight distribution in each U.S. Grade, by sexes, based on United States Classes, Standards and Grades for Poultry as contained in 7 CFR, Part 70, Subpart B (all factors considered except handling and dressing defects);

(viii) Feed conversion expressed as the pounds of feed required to produce a pound of live weight to the completion of test; and

(b) For the laying phase:

(1) An entry shall consist of a mating, including at least 50 pullets, representative of the stock entered. The birds in the entry shall be produced from a sample of eggs obtained as prescribed in § 145.25;

(2) Records shall be kept on the performance of each entry for a growing period of at least 150 days and an egg production period of 240 days;

(3) At the end of the test and no later than January 1, the Supervisor shall submit to the AH Division, for analysis and publication, a summary for each entry covering the following items:

(i) Name and address of the entrant and the source of the sample;

(ii) Breed and strain or trade name of the stock entered and, for entries comprised of males of one and females of a different stock, the identification of each stock;

(iii) Percent mortality to 150 days of age or to subsequent age at housing;

(iv) Percent mortality from 150 days of age or subsequent age at housing, to end of the 240-day period;

(v) Number of eggs per pullet housed to end of the 240-day period;

(vi) Percent hen-day production from the time the birds reached 50 percent production to end of the 240-day period. (The time of reaching 50 percent production shall be the first day of the first two consecutive days of 50 percent production for living birds in the entry at that time);

(vii) Average egg weight as computed from bulk weighings of all eggs laid at least one day a month;

(viii) Percent hatchability of all eggs set;

(ix) Body weight of females at end of test;

(x) Pounds of feed consumed during the 240-day period per dozen of eggs produced.

§ 145.28 Random sample tests; combined summary.

(a) The combined summary published by the AH Division shall include the results of all acceptable tests, combined by stocks, with adjustments for test differences and the use of other accepted statistical procedures.

(b) The provisions specified in §§ 145.25 and 145.26 or § 145.27 shall be used by the AH Division as a guide for determining acceptability of test results for inclusion in the combined summary.

§ 146.3 [Amendment]

9. Section 146.3 is amended by changing paragraph (d) to read:

(d) No person shall be compelled by the Official State Agency to qualify products for any of the classifications described in § 146.10 (a), (b), (c), (d) and (e) as a condition of qualification for the U.S. Pullorum-Typhoid Clean classification described in § 146.10 (f).

§ 146.5 [Amendment]

10. Section 146.5 is amended by changing the first sentence of paragraph (a) to read:

(a) Poultry equipment, and poultry houses and the land in the immediate vicinity thereof, shall be kept in sanitary condition and the participating flock, its eggs, and all equipment used in connection with the flock shall be separated from non-participating flocks in a manner acceptable to the Official State Agency. . . .

§ 146.6 [Amendment]

11. Section 146.6 is amended by deleting the last sentence of paragraph (e).

§ 146.10 [Amendment]

12. Section 146.10 is amended by deleting the last sentence of paragraph (f).

§ 146.14 [Amendment]

13. Section 146.14 is amended by adding a new paragraph (h) to read:

(h) Any drug, for which there is scientific evidence of masking the test reaction or hindering the bacteriological recovery of *Salmonella* organisms, shall

not be fed or administered to turkeys within three weeks prior to a test or bacteriological examination upon which a *Salmonella* classification is based.

§ 146.29 [Amendment]

14. Section 146.29 is amended by changing paragraph (a) to read:

(a) The test shall be available to any participant.

§ 146.30 [Amendment]

15. Section 146.30 is amended by changing paragraph (a) to read:

(a) The test shall be available to any participant.

16. Section 146.30 is further amended by changing paragraph (k) to read:

(k) The results of the tests reported to the AH Division by December 1 shall be published in a national summary by test and entry. The national summary shall also include a report of a statistical analysis of the combined results of all tests, by stocks, showing the significance of the differences between stocks.

§ 146.31 [Deletion]

17. Section 146.31 is deleted.

18. Section 147.22 is amended to read:

§ 147.22 General.

Changes in this subchapter shall be made in accordance with the procedure described in this subpart: *Provided*, That the Department reserves the right to make changes in this subchapter without observance of such procedure when such action is deemed necessary in the public interest.

§ 147.24 [Amendment]

19. Section 147.24 is amended by changing the third sentence to read: "It is recommended but not required that the official delegates be Plan participants."

§ 147.35 [Amendment]

20. Section 147.35 is amended by changing subparagraph (2) of paragraph (a) to read:

(2) The eggs should be placed on wire racks, in wire baskets, or on cup-type egg flats stacked outside of the egg cases (to permit air circulation) and exposed to circulating formaldehyde gas.

21. Section 147.35 is further amended by adding a new paragraph (f) to read:

(f) The cheesecloth method of fumigation described in this paragraph may be used in lieu of the chemical method described in paragraph (b) of this section, using 0.6 cc of formalin (37.5 percent) per cubic foot of space in the incubator, or paragraph (e) of this section, using 0.9 cc of formalin (37.5 percent) for each cubic foot of space in the empty hatcher.

(1) Enough cheesecloth should be used to absorb all of the formalin that is to be used for the fumigation.

(2) The formalin-saturated cheesecloth should be hung in the cabinet in such a manner as to permit the circulating air to evaporate all the formalin. This will require longer than 20 minutes.

(3) Care should be taken to prevent the cheesecloth from blocking the air movement created by the fans.

(4) The cheesecloth method is not suitable for still air machines.

The amendments are principally based on recommendations of the 1962 National Poultry and Turkey Improvement Plans Conference of representatives of the State Agencies cooperating in the administration of the Plans. Notice of rule making with respect to the amendments was published in the *FEDERAL REGISTER* on October 11, 1962. Copies of the proposed amendments were sent to representatives of each of the cooperating State Agencies. The foregoing amendments are the same in substance as the recommendations of the Conference and are the same in substance as the proposed amendments set forth in the notice of rule making published in the *FEDERAL REGISTER* except that nonsubstantive changes (items 3, 9, 11, 12, 14, 15 and 18) have been included for clarity and consistency. All affected poultrymen should be aware of the changes in their operations that will be required by the amendments. The Conference recommended that the amendments be made effective as soon as possible. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that further notice and other public procedure on the amendments are unnecessary and good cause is found for making the amendments effective less than 30 days after publication in the *FEDERAL REGISTER*.

Effective Date: The foregoing amendments shall become effective upon publication in the *FEDERAL REGISTER*.

The reporting and record keeping requirements contained herein have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(Sec. 101, 58 Stat. 734, as amended; 7 U.S.C. 429)

Done at Washington, D.C., this 27th day of December 1962.

B. T. SHAW,
Administrator,
Agricultural Research Service.

[F.R. Doc. 63-21; Filed, Jan. 2, 1963; 8:47 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 8230]

PART 13—PROHIBITED TRADE PRACTICES

Halsam Products Co.

Subpart—Discriminating in price under section 2, Clayton Act—Payment for services or facilities for processing or sale under 2(d): § 13.825 Allowances for services or facilities.

(Secs. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 2, 49 Stat. 1526; 15 U.S.C. 13) [Cease and desist order, Halsam Products Company, Chicago, Ill., Docket 8230, Dec. 13, 1962]

In the Matter of Halsam Products Company, a Corporation

Order requiring a Chicago toy manufacturer to cease violating section 2(d) of the Clayton Act by making payments to certain toy catalog companies controlled by its jobber customers as compensation for advertising its products in the catalogs, while not offering such payments on proportionally equal terms to all its other customers who were in competition with those so favored.

The order to cease and desist is as follows:

It is ordered, That respondent Halsam Products Company and its officers, directors, employees, agents and representatives, directly or through any corporate or other device, in, or in connection with, the offering for sale, sale, or distribution in commerce, as "commerce" is defined in the Clayton Act, as amended, of any toy, game, or hobby products, do forthwith cease and desist from:

Paying or contracting for the payment of anything of value to or for the benefit of any customer of such respondent as compensation or in consideration for any services or facilities consisting of advertising or other publicity, furnished by or through such customer, in a toy catalog, handbill, circular, or any other printed publication serving the purpose of a buying guide, distributed, directly or through any corporate or other device, by such customer, in connection with the processing, handling, sale, or offering for sale of any toy, game, or hobby products manufactured, sold, or offered for sale by such respondent, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products.

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

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

Issued: December 13, 1962.

By the Commission.

[SEAL] JOSEPH W. SHEA,
Secretary.

[F.R. Doc. 63-39; Filed, Jan. 2, 1963;
8:48 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 55792]

PART 1—CUSTOMS DISTRICTS, PORTS, AND STATIONS

Fort Worth, Texas, Designation as Customs Port of Entry

DECEMBER 26, 1962.

By virtue of the authority vested in the President by section 1 of the Act of

No. 2—4

August 1, 1914, 38 Stat. 623 (19 U.S.C. 2), which was delegated to the Secretary of the Treasury by the President by Executive Order No. 10289, September 17, 1951 (3 CFR Ch. II), and pursuant to authorization given to me by Treasury Department Order No. 190, Rev. 1 (26 F.R. 11877), the city of Fort Worth, Texas, is designated as a customs port of entry in the Customs Collection District No. 22 (Galveston) effective 30 days after the date of publication of this Treasury decision in the FEDERAL REGISTER.

The port of entry of Fort Worth, Texas, shall include the area within the corporate limits of the city of Fort Worth, Texas.

Section 1.1(c) of the Customs regulations is amended by adding "Fort Worth, Texas (T.D. 55792)" in the column headed "Ports of Entry" in District No. 22 (Galveston).

Notice of the proposed designation of Fort Worth as a customs port of entry was published in the FEDERAL REGISTER on November 9, 1962 (27 F.R. 10951), pursuant to the provisions of section 4 of the Administrative Procedure Act (5 U.S.C. 1003). No objections were received.

(R.S. 161, as amended, sec. 1, 37 Stat. 434, sec. 1, 38 Stat. 623, as amended, R.S. 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 1, 2, 68, 1624)

[SEAL] JAMES P. HENDRICK,
Acting Assistant Secretary
of the Treasury.

[F.R. Doc. 63-16; Filed, Jan. 2, 1963;
8:46 a.m.]

[T.D. 55793]

PART 1—CUSTOMS DISTRICTS, PORTS, AND STATIONS

Revocation of Designation of St. Augustine, Florida, as Port of Documentation

The designation of St. Augustine, Florida, as a port of documentation, is hereby revoked, effective 30 days after the date of publication of this decision in the FEDERAL REGISTER.

All marine records at the port of entry of St. Augustine, Florida, for each vessel having that as home port will be transferred to Tampa, Florida, or Jacksonville, Florida, according to a plan of determination by the collector of customs at Tampa, based in general on the proximity of the port selected to the place where the vessel business of the owner is conducted and the port so designated will be the home port of such vessel. Each vessel owner will be so notified in writing by the collector of customs. Vessel owners who desire to designate a home port other than the one so assigned may make application to the collector of customs at Tampa, Florida, or to the deputy collector in charge at Jacksonville, Florida.

If the marking of St. Augustine on any vessel would no longer meet the requirements of § 3.16 of the Customs regulations and section 4178 of the Revised Statutes, as amended (46 U.S.C. 46), after and solely by reason of the issuance of the revocation order, a period of two years is allowed to have the vessel remarked.

St. Augustine will continue to be designated as a customs port of entry for all customs purposes except vessel documentation. To indicate such revocation, § 1.1(c) of the Customs regulations is amended by deleting the asterisk appearing before the word St. Augustine under the heading "Ports of Entry" for District No. 18, Florida.

Notice of the proposed revocation of St. Augustine, Florida, as a port of documentation was published in the FEDERAL REGISTER on October 12, 1962 (27 F.R. 10043), pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 1003). No objections to the revocation were received.

(R.S. 161, as amended, secs. 2, 3, 23 Stat. 118, as amended, 119, as amended, sec. 1, 43 Stat. 947, as amended; 5 U.S.C. 22, 46 U.S.C. 2, 3, 18)

[SEAL] PHILIP NICHOLS, Jr.,
Commissioner of Customs.

Approved: December 26, 1962.

JAMES P. HENDRICK,
Acting Assistant Secretary
of the Treasury.

[F.R. Doc. 63-17; Filed, Jan. 2, 1963;
8:46 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER A—GENERAL

PART 8—COLOR ADDITIVES

Subpart E—Listing of Color Additives for Drug Use Subject to Certification

D & C GREEN No. 6

Correction

In F.R. Doc. 62-12790, appearing at page 12828 of the issue for Friday, December 28, 1962, the second line of § 8.4070(a) is changed to read "Green No. 6 is 1-4-di-p-toluidino an-".

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

DEFOAMING AGENTS USED IN THE MANUFACTURE OF PAPER AND PAPERBOARD

Correction

In F.R. Doc. 62-12699, appearing at page 12749 of the issue for Thursday, December 27, 1962, the fourth word in the first line of the third column of page 12749 presently reading "dedacylbenzene" should read "dodecylbenzene".

PART 121—FOOD ADDITIVES

Subpart C—Food Additives Permitted in Animal Feed or Animal-Feed Supplements

Subpart D—Food Additives Permitted in Food for Human Consumption

BITHIONOL; METHIOTRIAZAMINE

1. The Commissioner of Food and Drugs, having evaluated the data submitted in a petition filed by Sterwin Chemicals, Inc., 1450 Broadway, New York 18, New York, and other relevant material, has concluded that the food additive regulations should be amended to permit the addition of bithionol and methiotriazamine to chicken feed. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1)), and under the authority delegated to the Commissioner by the Secretary of Health, Education,

and Welfare (25 F.R. 8625), Part 121 is amended by adding to Subpart C the following new sections:

§ 121.238 Bithionol.

Bithionol may be safely used in chicken feed in accordance with the following prescribed conditions:

(a) When used in this section:

(1) Bithionol is the chemical substance 2,2'-dihydroxy-3,3',5,5'-tetrachlorodiphenylsulfide.

(2) The quantities of the additive prescribed refer to the weight of the bithionol as $C_{12}H_6Cl_4O_2S$.

(b) The permitted use of bithionol with methiotriazamine is described in tabular form in this section. The term "principal ingredient" used in this table refers to the additive named in the title of this section and is not intended to imply that the ingredient is of greater value than other additives named in this section.

(c) It is used or intended for use as follows:

BITHIONOL IN CHICKEN FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
Bithionol.....	454 (0.05%)	Methiotriazamine....	90.8 (0.01%)	For chickens; not to be fed to laying chickens; do not feed within 5 days of slaughter.	Prevention of coccidiosis; reduction of tapeworms and round worms.

(d) To assure safe use, the label and labeling of the additive, any combination of additives, and any intermediate premix or final feed prepared therefrom, shall bear, in addition to the other information required by the act, the following:

(1) The name of the additive or additives.

(2) A statement of the quantity or quantities of the additives contained therein.

(3) Adequate directions and warnings for use.

§ 121.239 Methiotriazamine.

The food additive methiotriazamine may be safely used in chicken feed in accordance with the following prescribed conditions:

(a) When used in this section:

(1) Methiotriazamine is the chemical 4,6-diamino-1-(4-methyl-mercaptophenyl)-1,2-dihydro-2,2-dimethyl-1,3,5-triazine hydrochloride.

(2) The quantities of the additive prescribed refer to the weight of the additive as the chemical $C_{12}H_{19}N_5S \cdot HCl$.

(b) The permitted use of methiotriazamine with bithionol in chicken feed is described in the following table. The term "principal ingredient" as used in this table refers to the additive named in the title of this section and is not intended to imply that the ingredient is of greater value than other additives named in this section.

(c) It is used or intended for use as follows:

METHIOTRIAZAMINE IN CHICKEN FEED

Principal ingredient	Grams per ton	Combined with—	Grams per ton	Limitations	Indications for use
Methiotriazamine....	90.8 (0.01%)	Bithionol.....	454 (0.05%)	For chickens; not to be fed to laying chickens; do not feed within 5 days of slaughter.	Prevention of coccidiosis; reduction of tapeworms and roundworms.

(d) To assure safe use, the label and labeling of the additive, any combination of the additives, and any intermediate premix or final feed prepared therefrom, shall bear, in addition to the other information required by the act, the following:

(1) The name of the additive or additives.

(2) A statement of the quantity or quantities contained therein.

(3) Adequate directions and warnings for use.

(Sec. 409(c)(1), 72 Stat. 1786; 21 U.S.C. 348(c)(1))

2. Based upon an evaluation of the data before him and proceeding under the authority of the Federal Food, Drug, and Cosmetic Act (sec. 409(c)(4), 72 Stat. 1786; 21 U.S.C. 348(c)(4)), the Commissioner of Food and Drugs has further concluded that where chickens have received food treated with bithionol and methiotriazamine in accordance with §§ 121.238 and 121.239 tolerance limitations are required in order to assure that

the edible tissues and byproducts from chickens are safe for human consumption. Therefore, subpart D of the food additive regulations is amended by adding thereto the following new sections:

§ 121.1107 Bithionol.

A tolerance of zero is established for residues of the food additive bithionol (2,2'-dihydroxy-3,3',5,5'-tetrachlorodiphenylsulfide) in the uncooked edible tissues and byproducts of chickens.

§ 121.1108 Methiotriazamine.

A tolerance of zero is established for residues of the food additive methiotriazamine (4,6-diamino-1-(4-methylmercaptophenyl)-1,2-dihydro-2,2-dimethyl-1,3,5-triazine hydrochloride) in the uncooked edible tissues and byproducts of chickens.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409(c)(1), (4), 72 Stat. 1786; 21 U.S.C. 348(c)(1), (4))

Dated: December 21, 1962.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 63-10; Filed, Jan. 2, 1963;
8:45 a.m.]

Title 38—PENSIONS, BONUSES,
AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 3—ADJUDICATION

Subpart A—Pension, Compensation,
and Dependency and Indemnity
Compensation

EMERGENCY OFFICERS' RETIREMENT PAY

1. In part 3, § 3.754 is added to read as follows:

§ 3.754 Emergency officers' retirement pay.

A retired emergency officer of World War I has basic eligibility to retirement pay by the Veterans Administration under Public Law 87-875 (sec. 11(b), Public Law 85-857) from date of filing

application therefor after October 24, 1962, if the following requirements are met:

(a) Emergency officers' retirement pay would have been granted under Public Law 506, 40th Congress (Act of May 24, 1928) if application therefor had been filed before May 25, 1929.

(b) Such retirement pay would have continued to be payable under section 10 of Public Law 2, 73d Congress, or under section 1 of Public Law 743, 76th Congress.

(c) The monthly rate of retirement pay at any time between May 24, 1928 and May 24, 1929, inclusive, would have been lower than the monthly rate of disability compensation payable to the retired emergency officer.

2. Immediately following § 3.754, a new cross reference is added to read as follows:

CROSS REFERENCE: Emergency officers' retirement pay. See § 3.953(b).

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

This regulation is effective January 3, 1963.

[SEAL]

W. J. DRIVER,
Deputy Administrator.

[F.R. Doc. 63-28; Filed, Jan. 2, 1963;
8:47 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Bureau of Customs

[19 CFR Part 1]

APALACHICOLA, FLORIDA

Proposed Revocation of Designation as Port of Documentation, Re- scinded

Under the authority contained in section 2 of the Act of July 5, 1884, as amended (46 U.S.C. 2), and section 1 of the Act of February 16, 1925, as amended (46 U.S.C. 18), and pursuant to section 4 of the Administrative Procedure Act (5 U.S.C. 1003), a notice of proposed revocation of Apalachicola, Florida, as a port of documentation was published in the FEDERAL REGISTER on October 12, 1962 (27 F.R. 10048).

Interested parties made numerous protests to the revocation and upon consideration of these objections, the proposal to revoke the designation of Apalachicola, Florida, as a port of documentation is rescinded.

[SEAL]

PHILIP NICHOLS, Jr.,
Commissioner of Customs.

Approved: December 26, 1962.

JAMES P. HENDRICK,
Acting Assistant Secretary
of the Treasury.

[F.R. Doc. 63-15; Filed, Jan. 2, 1963;
8:46 a.m.]

DEPARTMENT OF THE INTERIOR

Office of the Secretary

[43 CFR Part 13]

VENDING FACILITIES OPERATED BY BLIND PERSONS

Appeals and Reporting Requirements

Notice is hereby given that pursuant to the authority vested in the Secretary of the Interior by the Randolph-Sheppard Vending Stand Act (68 Stat. 663; 20 U.S.C. 107) it is proposed to amend 43 CFR Part 13 as set forth below. The purposes of this amendment are to provide detailed procedures for appeals in any dispute regarding the grant or revocation of permits for vending stands located on property controlled by the Department of the Interior, and to prescribe the requirement for an annual report to the Department of Health, Education, and Welfare.

It is the policy of the Department of the Interior, whenever practicable, to afford the public an opportunity to participate in the rule making process. Accordingly, interested persons may submit written comments, suggestions, or objections with respect to the proposed amendments to the Office of the Secretary, Washington 25, D.C., within thirty

days of the date of publication of this notice in the FEDERAL REGISTER.

Section 13.6 is amended to read:

§ 13.6 Appeals.

When the head of an Interior bureau or office has designated a representative to act for him under these regulations, he shall provide for the review of any matter in dispute between such representative and the State licensing agency. In the event that they fail to reach agreement concerning the granting of a permit for a vending stand, the modification or revocation of a permit, the suitability of the stand location, the assignment of vending proceeds, the methods of operation of the stand, or other terms of the permit (including articles which may be sold) the State licensing agency shall have the right of appeal to the Secretary of the Interior or his designee. Such appeals shall be made in writing within 15 days from the date of the notice of decision. Upon appeal, full investigation shall be undertaken. A full report shall be obtained from the Interior representative from whose decision the appeal is being taken. The State licensing agency shall be given opportunity to present information. The Department of Health, Education, and Welfare shall be available for general advice on program activities and objectives. A final decision of the Secretary of the Interior shall be rendered within ninety days of the filing of the appeal. Notification of the decision on appeal and the action taken thereon shall be given to the State licensing agency and to the Department of Health, Education, and Welfare. The decision of the Secretary of the Interior or his designee shall be final. At the end of each fiscal year the Office of the Secretary shall report to the Department of Health, Education, and Welfare the total number of applications for vending stand locations received from State licensing agencies, the number accepted, the number denied, and the number still pending.

D. OTIS BEASLEY,
Assistant Secretary of the Interior.

DECEMBER 27, 1962.

[F.R. Doc. 63-11; Filed, Jan. 2, 1963;
8:45 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 971]

LETTUCE GROWN IN THE LOWER RIO GRANDE VALLEY IN SOUTH TEXAS

Notice of Proposed Expenses and Rate of Assessment

Notice is hereby given that the Secretary of Agriculture is considering the approval of the expenses and rate of as-

essment hereinafter set forth, which were recommended by the South Texas Lettuce Committee, established pursuant to Marketing Agreement No. 144 and Marketing Order No. 971 (7 CFR Part 971; 25 F.R. 12227).

The marketing order regulates the handling of lettuce grown in the Lower Rio Grande Valley in South Texas, and is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674).

Consideration will be given to any data, views, or arguments pertaining thereto which are filed with the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Washington 25, D.C., not later than 10 days following publication of this notice in the FEDERAL REGISTER.

§ 971.203 Expenses and rate of assessment.

(a) The reasonable expenses that are likely to be incurred by the South Texas Lettuce Committee, established pursuant to Marketing Agreement No. 144, and Order No. 971, to enable such committee to perform its functions pursuant to the provisions of the aforesaid marketing agreement and order during the fiscal period November 1, 1962, through October 31, 1963, will amount to \$16,025.00.

(b) The rate of assessment to be paid by each handler pursuant to Marketing Agreement No. 144 and Order No. 971 shall be 2¾ cents (\$.0275) per carton of lettuce handled by him as the first handler thereof during said fiscal period.

(c) All other terms used in this section shall have the same meaning as when used in Marketing Agreement No. 144 and Order No. 971 (7 CFR Part 971; 25 F.R. 12227).

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

Dated: December 28, 1962.

FLOYD F. HEDLUND,
Director,
Fruit and Vegetable Division.

[F.R. Doc. 63-40; Filed, Jan. 2, 1963;
8:49 a.m.]

FEDERAL MARITIME COMMISSION

[46 CFR Ch. IV]

[Docket No. 983]

RULES GOVERNING CONTRACT RATE SYSTEMS IN THE FOREIGN COM- MERCE OF THE UNITED STATES

Notice of Proposed Final Rules and Uniform Agreement

On March 21, 1962, the Federal Maritime Commission gave notice by publication in the FEDERAL REGISTER (27 F.R. 2647) that, in accordance with the provisions of section 4 of the Administrative

Procedure Act and sections 14b, 15, and 43 of the Shipping Act, 1916, it was considering the promulgation of certain rules and regulations governing the use of contract rate systems in the foreign commerce of the United States as authorized by said sections 14b and 15 of the Shipping Act, 1916. Having given due consideration to the comments of interested persons filed in response to said notice, the Federal Maritime Commission hereby gives notice that it is considering the promulgation of final rules in this matter. These proposed final rules are as follows:

PART I—DEFINITIONS

SECTION 1.1 Carrier. "Carrier" means any operator of common carrier vessels, except ferry boats running on regular routes, engaged in the transportation by water of property between the United States or any of its Districts, Territories, or possessions and a foreign country, whether in the import or export trade; *Provided*, That operators of cargo boats commonly called ocean tramps shall not be deemed carriers for the purposes of these rules.

SEC. 1.2 Conference. "Conference" means the association of two or more carriers which offers to execute an agreement subject to section 14b of the Shipping Act, 1916.

SEC. 1.3 Merchant. "Merchant" means any person, association or organization who executes an agreement subject to the provisions of section 14b of the Shipping Act, 1916, with a carrier or a conference.

SEC. 1.4 Contract and Dual Rate Contract. "Contract" and "Dual Rate Contract" means any agreement subject to section 14b of the Shipping Act, 1916.

SEC. 1.5 Contract rates. "Contract rates" are the ocean freight rates charged a merchant for the transportation of commodities which he has listed in an agreement subject to section 14b of the Shipping Act, 1916, and permitted by the Federal Maritime Commission.

SEC. 1.6 Non-contract rates. "Non-contract rates" are the ocean freight rates charged for the transportation of all commodities shipped by all persons who have not entered into an agreement subject to section 14b of the Shipping Act, 1916, and all commodities shipped by a merchant and not listed by said merchant in its agreement subject to section 14b of the Shipping Act, 1916, and permitted by the Federal Maritime Commission.

SEC. 1.7 Natural Routing. "Natural Routing" means the path of transportation which goods would normally take from inland origin to inland destination where both the total time in transit and the total cost of transportation (including the cost of both the land and water transportation) are considered. Because the circumstances under which questions of "natural routing" are likely to arise under contracts subject to these rules may, in many instances, involve service by carriers who are not members of a conference and who customarily publish rates lower than conference carriers,

undue weight shall not be given to the difference between the ocean freight rates which would apply if a shipment were moved via a conference carrier as opposed to a nonconference carrier in reaching a determination of "natural routing."

PART II—GENERAL REQUIREMENTS

SECTION 2.1. No carrier or conference of carriers shall enter into or offer to enter into any contract subject to the provisions of section 14b of the Shipping Act, 1916, without first filing the form of such contract together with a list of the commodities for which both contract and noncontract rates will be offered, with the Federal Maritime Commission, and receiving written permission from the Commission for the use of such contract. Only one form of contract will be permitted for each conference or carrier.

SEC. 2.2. All carriers and conferences of carriers who have been granted written permission to use a contract subject to the provisions of section 14b of the Shipping Act, 1916, shall make such contract available on equal terms and conditions to all merchants who desire to enter into such contracts, and no such contract shall be withheld from any merchant unless the carrier or conference of carriers cancels, in accordance with these rules, all similar contracts. For the purposes of this section "similar contracts" are contracts which cover commodities which compete commercially with each other through being usable for substantially the same purposes. *Provided, however*, That where a merchant has continuously been found in arbitration proceedings or judicial proceedings to have breached his contract with the carrier or conference of carriers and such merchant does not promptly pay the damages awarded in such arbitration or judicial proceedings, the carrier or conference may apply to the Federal Maritime Commission for permission to cancel said merchant's individual contract. The Commission shall grant such permission upon a showing that merchant cannot be expected to abide by its obligations under the contract.

SEC. 2.3. Any termination of the contract rate system with respect to any commodity or group of commodities, may only be accomplished after giving 90 days' notice to all contract signatories. Any opening of rates on a commodity or commodities subject to a contract system will be considered a termination of the contract system as to such commodity or commodities, and there can be no temporary suspension or limited termination of the contract system for any period of time, be it called temporary open rates, suspension of contract rates, or otherwise, which would not be a termination of the contract system. Where a contract system has been terminated as to any commodity or group of commodities, by opening of rates or otherwise, and regardless of whether considered by the carrier or conference as temporarily suspended or terminated, the carrier or conference may not reinstitute or reinstate the contract system as to such commodity or

commodities without prior permission by the Federal Maritime Commission in accordance with these rules and section 14b of the Shipping Act, 1916.

SEC. 2.4. (a) Subparagraph (7) of Section 14b, Shipping Act, 1916, provides for a spread between ordinary rates and rates charged contract shippers which the Commission finds to be reasonable in all the circumstances but which spread shall in no event be more than 15 percent of the ordinary rates. In order for the Commission to determine whether the spread between ordinary, or non-contract, rates and contract rates is in fact reasonable in all the circumstances, all carriers or conferences of carriers using or proposing to use a contract shall furnish to the Commission all factors considered by the carrier or conference of carriers to justify the spread. Where the spreads are different for different commodities, that fact shall be noted and the reasons for the differences noted.

(b) This submission should include in detail the reasons why the proposed spread was selected, why a lesser percent spread would not be adequate to accomplish the purposes of the contract, and should, to the extent possible, include information as to the amount and type of present or potential outside competition in the trade, competitive practices of such competition in the trade, and the general effect that such competition has had on the service and rate structure maintained by the carrier or conference of carriers requesting approval of the contract.

PART III—SPECIFIC PROVISIONS FOR ALL CONTRACTS

SECTION 3.1 No contract subject to the provisions of section 14b of the Shipping Act, 1916, shall contain any provision contrary to the Shipping Act, 1916, nor these rules, and all such contracts, shall by their terms:

(a) Include a description of the ports from and to which the carrier or conference offers common carrier service and from and to which the signatory merchant shall be obligated to use the services of the carrier or conference of carriers. This description may be accomplished by specifically naming all the ports served by the carrier or conference or by naming a range of ports.

(b) Obligate the signatory merchant to ship only such commodities as the merchant shall name in the contract and commodities which compete commercially with those named in the contract through being usable for substantially the same or similar purposes. *Provided, however*, That such contracts may, at the option of the carrier or conference, obligate all subsidiary, associated, or parent companies of the signatory merchant to ship via the vessels of the signatory carrier or conference all goods and commodities named by the merchant and all goods and commodities which compete commercially with those named by the merchant through being usable for substantially the same or similar purposes. *And, provided further*, That such contracts may, at the option of the carrier or conference, obligate merchant to ship via the vessels of the

carrier or the conference only a stated percentage less than one hundred percent of the merchant's total shipments or may obligate merchant to ship a fixed quantity of goods via the vessels of the carrier or the conference.

(c) Exclude from contract coverage the goods and materials of the merchant or those of its parent, related, or affiliated companies moving in vessels owned or fully chartered by the merchant or its parent, related, or affiliated companies on voyages where such vessels are not engaged in a common carrier service.

(d) Exclude from contract coverage commodities for which the conference has opened rates and commodities on which individual carrier members of the conference otherwise quote individual rates.

(e) Provide, where the contract is that of a conference, for notice to the signatory merchant of changes in conference membership and provide that merchant may continue to use the services of a carrier who is no longer a conference member for a brief but reasonable period of time after notice that such carrier is no longer a conference member.

(f) Provide that all constructions and interpretations of said contract shall be made in the light of the Shipping Act, 1916, and the rules of the Federal Maritime Commission promulgated pursuant to said Act, and that all amendments to the contract shall be subject to the approval of the Federal Maritime Commission.

(g) Permit prompt release of the merchant from the contract with respect to any shipment or shipments for which the conference (or the individual contracting carrier as the case may be) cannot provide as much space as the merchant shall require on reasonable notice. All such contracts of conferences shall provide that merchant need only seek space from a single conference line and if said line fails to commit suitable space to merchant's shipment within a reasonable time from merchant's inquiry on a vessel or vessels scheduled to sail within a reasonable time from the date requested by merchant (both periods to be specifically fixed by the contract) then merchant shall seek space on conference vessels through the conference office; the conference office shall then have a reasonable time in which to notify merchant that suitable space is available for merchant's shipment on a vessel or vessels scheduled to sail within a reasonable time from the date requested by merchant (both periods to be specifically fixed by the contract); and, in the event of default of the above provisions by both the carrier solicited by the merchant and the conference, merchant shall be free with respect to such shipment to secure space on vessels other than the vessels of conference members. Contracts of individual carriers shall provide that unless the carrier commits, within a reasonable time following merchant's request, suitable space to merchant's shipment on a vessel or vessels scheduled to sail within a reasonable time from the date requested

by merchant (both periods to be specifically fixed by the contract) merchant shall be free with respect to such shipment to secure space on vessels other than those of said carrier.

(h) Provide that whenever a tariff rate for the carriage of goods under the contract becomes effective, it shall not be increased before a reasonable period. Such period shall be fixed in the contract and in no case shall it be less than ninety days. For purposes of this provision the rates initially applicable under such contracts shall be deemed to have become effective with their original effective date through filing with the Federal Maritime Commission rather than to have become effective with the signing of the contract. *Provided, however,* That contracts may provide that where conditions of war or hostility or civil commotion, whether existing, previously existing, or potential, create, in the opinion of the conference or carriers as the case may be, serious hazards of substantially increased costs, the conference or the carrier may forthwith suspend service and/or the contract rates to any or all ports and/or cancel the contract and/or increase the contract rates once or oftener, to any or all ports, by the addition of a surcharge, or otherwise, upon giving notice of suspension, cancellation, or increase; and upon such notice of suspension, cancellation, or increase merchant may forthwith cancel its contract.

(i) Provide that the signatory merchant shall be obligated to ship via conference vessels (or the vessels of the individual carrier in the case of a contract with an individual carrier) only those goods as to the shipment of which he has the legal right at the time of shipment to select the carrier. And, such contracts shall provide that it shall be deemed a breach of the contract if, before the time of shipment and with the intent to avoid his obligation under the contract, the merchant divests himself, or with the same intent permits himself to be divested, of the legal right to select the carrier and the shipment is carried by a carrier which is not a party to the contract. No contract shall require that the signatory merchant refuse to sell or purchase goods on terms which would deprive it of the legal right to control the ocean routing.

(j) Provide that the signatory merchant shall not be required to divert the shipment of goods from natural routings not served by the conference (or the carrier in the case of a contract with an individual carrier) where direct carriage is available. And such contracts shall provide that if the merchant is a party to another such contract with another conference, which other contract includes ports not included in the subject contract, and the natural routing of a particular shipment is substantially equal from, to or between two or more ports, one or more embraced by one contract and one or more embraced by the other contract, the merchant shall have the option of routing cargo from, to or between any of the said ports of equal natural routing without being deemed to have breached either contract.

(k) Provide that the damages recoverable for breach by either party shall be limited to actual damages to be determined after breach in accordance with the principles of contract law. *Provided, however,* That such contracts may specify that in the case of a breach by a merchant the damages may be an amount not exceeding the freight charges computed at the contract rate on the particular shipment, less the cost of loading and unloading: *And provided further,* That such contracts may fix the aforesaid cost of loading and unloading at a fixed percentage of the contract rate, such percentage to be subject to prior approval by the Federal Maritime Commission.

(l) Provide that the merchant may cancel his contract without penalty on 90 days notice to the conference or individual contracting carrier as the case may be. Such contracts shall further provide that when a rate is increased on any commodity covered by the contract the merchant may cancel its contract as to such commodity without penalty effective with the effective date of the increased rate. *Provided, however,* That such contracts may also provide that the conference, or the individual contracting carrier as the case may be, may rescind the increase prior to its effective date and in such event the contract will continue in full force and effect notwithstanding merchant's notice of termination.

(m) Provide that the differential between the contract and non-contract rates shall not exceed 15 percent of the non-contract rates and that all rates under the contract shall be in accord with and subject to the provisions of the conference tariff on file with the Federal Maritime Commission.

(n) Exclude from contract coverage (1) dry cargo loaded and carried in bulk without mark or count and (2) full shiploads of liquid bulk cargoes and shall include in contract coverage liquid bulk cargoes, other than chemicals moving in less than full shiploads. For purposes of this provision empty containers for such bulk cargo, such as bags or knocked down cartons or boxes moving with such bulk cargo, shall be treated as bulk cargo.

PART IV—APPROVAL OF DUAL RATE CONTRACT FORMS IN CURRENT USE

SECTION 4.1 *Re-filing of dual rate contract forms in current use.* (a) Every carrier or conference using a lawful dual rate contract form pursuant to the authority of section 3 of Public Law 87-346 may re-file with the Federal Maritime Commission a modified contract form as provided for in Part II of these rules: *Provided, however,* That if such a modified contract form is not so filed, the contract form currently filed with the Commission shall be considered as having been re-filed for the purpose of this section.

(b) Filing under this Section may be accomplished by submitting to the Secretary, Federal Maritime Commission, Washington 25, D.C., an original and fifteen (15) copies of a letter requesting approval of the contract as modified,

and submitting an original and fifteen (15) copies of the following:

(1) The modified form contract which shall be complete in every detail leaving blank only the name of the individual merchant (and the merchant's agents and related companies) and the commodities for which the merchant desires a contract.

(2) An affidavit of a responsible official of the carrier or conference stating that the contract filed is the true and complete contract used by said carrier or conference, modified as set forth above.

(3) The material required by section 3.2 of these rules to justify the reasonableness of the spread between contract and non-contract rates and a list of the commodities for which both contract and non-contract rates will be offered.

SEC. 4.2 Notice of filing. All contracts filed with the Commission pursuant to these rules shall be available for inspection at the Federal Maritime Commission. A notice of such filing shall be published in the *FEDERAL REGISTER* as soon as practicable, and interested persons may, within twenty (20) days after such publication, or within such other time as the Commission may prescribe, file comments relating to such contract. Comments shall include a statement of position with respect to approval, disapproval, cancellation, or modification of the contract, together with reasons therefor.

SEC. 4.3 Approval, disapproval, cancellation, or modification by the Commission. After analysis of the modified contracts, accompanying material submitted, and comments received from interested parties, and after hearing if ordered by the Commission, the contract shall be approved, disapproved, cancelled, or modified as required by Section 3 of Public Law 87-346 and by these rules.

SEC. 4.4 Lawfulness of current contracts. All contracts lawfully in effect on October 3, 1961, which were amended or modified as required by section 14(b) of the Shipping Act, 1916 and which were filed with the Federal Maritime Commission on or before April 3, 1962, shall remain lawful for an additional period not to exceed one year from April 3, 1962, during which time the Federal Maritime Commission shall approve, disapprove, cancel, or modify such contracts pursuant to these rules and the Shipping Act, 1916.

PART V—APPLICATION FOR APPROVAL OF NEW CONTRACT SYSTEMS

SECTION 5.1 Filing of proposed new contract. Any carrier or conference desiring to institute a new contract shall file with the Commission its proposed form of contract, such filing to be accomplished by submitting to the Secretary, Federal Maritime Commission, Washington 25, D.C., an original and fifteen (15) copies of a letter requesting approval of the form of contract to be used, and submitting an original and fifteen (15) copies of the following:

(a) The contract form to be used which shall be complete in every detail leaving blank only the name of the in-

dividual merchant (and the merchant's agents and related companies) and the commodities for which the merchant desires a contract.

(b) The material required by section 3.2 of these rules to justify the need for the contract and the reasonableness of the spread between contract and non-contract rates and a list of the commodities for which both contract and non-contract rates will be offered.

SEC. 5.2 Notice of filing. All contracts filed with the Commission pursuant to these rules shall be available for inspection at the Federal Maritime Commission. A notice of such filing shall be published in the *FEDERAL REGISTER* as soon as practicable, and interested parties may, within twenty (20) days after the date of publication, or within such other period as the Commission may prescribe, file comments relating to such contract. Comments shall include a statement of position with respect to approval, disapproval, or modification of the published contract, together with the reasons therefor.

SEC. 5.3 Approval, disapproval, or modification by the Commission. After analysis of the contract submitted, the accompanying material, and comments received from interested parties, and after hearing if ordered by the Commission, the contract shall be approved, disapproved, or modified as required by section 14b of the Shipping Act, 1916, and by these rules.

PART VI—APPLICATION FOR MODIFICATION OF APPROVED CONTRACTS

SECTION 6.1 Statement of policy. Whenever a carrier or conference proposes to modify an approved contract in any way, whether by addition of new commodities not previously covered by the contract, by extension of the contract to new port areas not previously covered by the contract, by any change in terms of the contract between the carrier or conference and the merchant, by any change in spread between contract and non-contract rates, by reinstatement or reinstatement of the contract to apply to a commodity or commodities as to which the contract had been previously terminated, or by any other means whatsoever, such modifications shall not become effective until approved by the Federal Maritime Commission under section 14(b) of the Shipping Act, 1916.

SEC. 6.2 Filing of modifications to approved contracts. Any carrier or conference of carriers desiring approval of the Federal Maritime Commission for any modification of its contract shall file immediately with the Commission the details of such modification. If such modification involves a change in the form of the contract, then the filing shall include the modified form. If the modification involves a change in spread between contract rates and non-contract rates with respect to a single commodity or a number of commodities, the material requested under section 3.2 of these rules shall be furnished. If the modification involves an addition to the number of commodities for which both contract and non-contract rates will be published, or

the republication of both contract and non-contract rates for a commodity or commodities for which the publication of such dual rates had previously been terminated, or the extension of the contract to additional port areas not previously covered by the system, then the material requested under section 3.2 of these rules shall be furnished in order to justify the reasonableness of the spread between contract rates and non-contract rates applicable to such new commodity or port coverage. Any other modification shall be accompanied by material fully justifying the modification requested. Filing under this section may be accomplished by submitting to the Secretary, Federal Maritime Commission, Washington 25, D.C., an original and fifteen (15) copies of a letter requesting approval of the modifications requested, and submitting an original and fifteen (15) copies of the material required by this section.

SEC. 6.3 Notice of filing. All proposed modifications filed with the Commission pursuant to these rules shall be available for inspection at the Federal Maritime Commission. A notice of such filing shall be published in the *FEDERAL REGISTER* as soon as practicable and interested persons may, within 20 days after such publication, or within such other period as the Commission may prescribe, file comments relating to such modifications. Comments shall include a statement of position with respect to approval, disapproval or modification of the modification together with reasons therefor.

SEC. 6.4 Approval, disapproval, or modification by the Commission. After analysis of the proposed modifications, accompanying material submitted, and comments received from interested parties, and after hearing if ordered by the Commission, the contract shall be approved, disapproved, or modified as required by section 14b of the Shipping Act, 1916, and by these rules.

PART VII—UNIFORM AGREEMENT

SECTION 7.1 The Federal Maritime Commission has determined that the "Uniform Merchant's Rate Agreement" which follows complies fully with the provisions of the Shipping Act, 1916, and with these rules. Any conference which desires to use contracts in the form of the "Uniform Merchant's Rate Agreement" will be permitted to do so upon filing with the Commission copies of such contract and the list of commodities for which both contract and non-contract rates will be offered and a statement of the spread between contract and non-contract rates which the conference shall apply and approval by the Commission of the commodities for which both contract and non-contract rates will be offered and the reasonableness of the spread. The "Uniform Merchant's Rate Agreement" shall also be available for use by individual carriers with the appropriate changes in language for application to individual carriers as opposed to conferences. In granting permission for the use of this "Uniform Merchant's Rate Agreement", the Commission will generally inquire only into the propriety of the aforesaid spread and the pro-

priety of a system of contract and non-contract rates applied to particular commodities. *Provided, however,* That nothing herein shall be deemed as authorizing the use of any system of contract and non-contract rates prior to the issuance of an order by the Federal Maritime Commission, in accordance with section 14b of the Shipping Act, 1916, authorizing the use of such system.

Agreement No. *

(Name of conference)

(Address)

UNIFORM MERCHANT'S RATE AGREEMENT

Memorandum of agreement entered into at day of, 19.., by and between a corporation having its principal place of business at (hereinafter called "Merchant") and the common carriers by water who are parties to Federal Maritime Commission Agreement No., as amended, providing for the Conference (hereinafter called "Conference").

For their mutual benefit in the stabilization of rates, services, and practices and for the development of international maritime commerce in the trade defined in Article 1 of this Agreement, the parties hereby agree as follows:

1. The Conference undertakes, throughout the period of this Agreement, to maintain common carrier service which shall, so far as concerns the frequency of sailings and the carrying capacity of the vessels of the Conference Members be adequate to meet all the reasonable requirements of the Merchant for the movement of goods in the trade from [(Name ports or range or countries in which ports are located)]; to [(Name ports or range or countries in which ports are located)]; and the Conference further agrees that, subject to the availability of unbooked suitable space in the vessels of the Conference at the time when the Merchant applies therefor, the vessels of the Conference Members shall transport the goods of the Merchant in the aforesaid trade upon the terms and conditions herein set forth.

2. (a) The Merchant and its agents and its subsidiary, associated, or parent companies shall ship or cause to be shipped by vessels of the conference members all shipments of goods listed in Appendix "B" hereto and all goods which compete commercially with those listed in Appendix "B" through being usable for substantially the same or similar purposes and with respect to which it or its aforesaid agents, subsidiary, associated, or parent companies have, at the time of shipment, the legal right to select the ocean carrier and for which the Conference tariff lists both a contract and a non-contract rate. The Merchant recognizes that it derives valuable benefits from this Agreement and the contract rates obtained hereunder and hereby obligates itself in its dealings and contracts to endeavor in good faith to have and to maintain the legal right to select the ocean carrier. And, where Merchant's vendor or vendee has the legal right to select the ocean carrier and falls to exercise that right or otherwise permits Merchant to select the carrier, Merchant shall be obligated under this Agreement as if it possessed the legal right to select the carrier. Nothing contained in this Agreement, however, shall require that Merchant refuse to sell or purchase goods on terms which would deprive it of the legal right to select the ocean carrier.

(b) Merchant warrants that the listing in Appendix "A" hereto of its agents, subsidiary, associated, or parent companies is a complete listing of all its agents and related companies who, as of the time of signing this Agreement, are (or can reasonably be expected to be) engaged in making or receiving shipments of goods described in Appendix "B" hereto in the trade described in Article 1 hereof. Merchant shall promptly inform the Conference in writing of any change in this list. However, any failure of Merchant to notify the Conference of such new agents or related companies or of the change of business of present agents or related companies shall not relieve such agents or related companies from the benefits and obligations of this Agreement. Each of the obligations and benefits which accrue to Merchant under this Agreement shall be an obligation of and benefit to each of Merchant's agents, subsidiary, associated or parent companies listed in Appendix "A" as if each were individually named throughout this Agreement. *Provided, however,* That in all actions by the Conference for damages under this Agreement the Conference shall proceed against the Merchant rather than its agent or related company.

(c) Merchant shall be presumed to have the legal right to select the ocean carrier for all goods as described in Appendix "B" hereto which move by water in the trade described in Article 1 hereof to or from it or its agents or related companies or between it and its agents or related companies or between any of its agents or related companies. *Provided, however,* That where Merchant or its agents or related companies do not hold the legal right to select the ocean carrier for any shipment which would otherwise be subject to this Agreement, Merchant shall, within seven days of any contract of purchase or sale or other event which vests the legal right to select the ocean carrier in one other than Merchant or its agent or related company, notify the Conference in writing of such event. Such notice to the Conference shall set forth the details of such aforesaid event. Merchant shall further, upon the request of the Conference, furnish to the Conference copies of all such documents as the Conference shall require by way of establishing that neither Merchant nor its agent nor related company had nor could exercise the right to select the ocean carrier. The information contained in such documents shall not be disclosed in violation of Section 20 of the Shipping Act, 1916.

(d) Merchant warrants that it will not permit any goods to be transported under this Agreement at the contract rates herein provided on behalf of any interest which is not bound by a Merchant's Rate Agreement with the Conference.

3. (a) This Agreement shall not apply to dry cargo loaded and carried in bulk without mark or count or to empty containers for such bulk cargo as bags or knocked down cartons or boxes moving with such bulk cargo, nor does this Agreement apply to full shiploads of liquid bulk cargoes. This Agreement shall apply to liquid bulk cargoes, other than chemicals, carried in less than full ship load lots.

(b) This Agreement shall not apply to commodities for which the Conference has opened its rates or to commodities on which individual carrier members of the Conference otherwise quote individual rates.

4. This Agreement shall not prevent Merchant from shipping its own goods and materials or those of its parent, related, or affiliated companies in vessels owned or fully chartered by Merchant or its parent, related, or affiliated companies on voyages where such vessels are not engaged in a common carrier service.

5. The Merchant shall have the option of selecting any of the vessels operated by any

of the respective carriers who, at the time of shipment, are members of the Conference. The Merchant agrees to make application for space to the Conference member he desires as early as practicable before the advertised sailing date of the vessel he desires. If such carrier fails to commit suitable space from and to the port or ports designated by the Merchant (or from and to ports of equal natural routing) within three full business days after the Merchant applies therefor, on a vessel scheduled to sail within fifteen days after the seaboard clearance date requested by the Merchant, the Merchant shall give notice of such failure to the Conference. Such notice shall include the nature and quantity of goods to be shipped, the origin and ultimate destination of the shipment, and the desired routing and seaboard clearance date. If, within three business days after notice to the Conference, the Merchant shall not have been notified that service for such cargo is available on a vessel of one of the Conference carriers for shipment within fifteen days after the seaboard clearance date desired, the Merchant shall be free with respect to such shipment to secure space elsewhere to or through the port requested (or a port of equal natural routing) and within the aforesaid fifteen day period or at any time prior to the sailing of the next Conference vessel which has suitable space available for such shipment.

6. Nothing in this Agreement shall be deemed to require Merchant to divert the shipment of goods from natural routings not served by the Conference where direct carriage is available. And, if Merchant is a party to a Merchant's Rate Agreement approved by the Federal Maritime Commission in addition to the instant Agreement, which other Agreement includes goods covered by Appendix "B" hereto and includes ports not included in the instant Agreement, and the natural routing of a particular shipment is substantially equal to or through two or more ports, one or more served by the Conference signatory hereto and one or more served by the other Conference, the Merchant shall have the option of routing its goods through or to any of the said ports of equal natural routing without being deemed to have breached this Agreement.

7. (a) The ocean freight rates which Merchant shall pay to the Conference carriers for the goods which, by Article 2 hereof, Merchant is obligated to ship hereunder are the contract rates in effect at the time of shipment as set forth in the tariffs published by the Conference and on file with the Federal Maritime Commission. Such contract rates are and shall be maintained at levels less than the non-contract rates which latter rates the Conference shall, except as provided in paragraph (b) of this Article 7, apply to all shipments which are not covered by Agreements identical in terms to the within Agreement. In order that both the contract and non-contract rates may be stated in multiples of 5 cents per 100 pounds or 25 cents per ton, the rates may be stated in the largest multiple of 5 cents or 25 cents as the case may be, which will not result in the differential between the rates exceeding 15 percent of the non-contract rate; and in no event shall the differential between the contract and non-contract rates exceed 15 percent of the non-contract rates.

(b) Nothing in this contract shall preclude the Conference, in accordance with the rules and regulations of its tariff duly on file with the Federal Maritime Commission, from furnishing transportation for goods not intended for commercial or industrial use, shipped by governments, governmental agencies, or public or private, national or international charitable, eleemosynary or humanitarian agencies, or religious or missionary societies, at rates lower than the contract rates or at contract rates without

*Conference may, at its option, serially number individual Agreements with Merchants'.

such shipper being a party to a contract of like tenor hereto; and the Conference's so furnishing such transportation shall not constitute a violation of the Merchant's rights hereunder.

8. Shipments under this Agreement are subject to all the rules, regulations, terms, and conditions of the Conference tariff on file with the Federal Maritime Commission and consistent with the Shipping Act, 1916.

9. (a) Contract rates may be increased from time to time by the Conference, but no increase in any contract rate shall become effective until the ninetieth day after (a) such rate shall have become effective, or (b) the Conference shall have published and filed schedules, in accordance with section 18(b) of the Shipping Act, 1916, reflecting such increased rate, whichever shall later occur. Notice shall be accomplished by such publication and filing of tariffs with the Federal Maritime Commission. The Conference shall offer to the Merchant a subscription to its tariffs at a reasonably compensatory price; however, Merchant shall be bound by all notices accomplished as aforesaid without regard to whether it subscribes to the Conference tariff. Tariffs shall always be open to Merchant's inspection at the Conference offices and at each of the offices of the individual members of the Conference during regular business hours. For purposes of this Article 9 the rates initially applicable under this Agreement shall be deemed to have become effective with their original effective date through filing with the Federal Maritime Commission rather than to have become effective with the signing of this Agreement.

(b) Within 30 days following the giving of any notice as provided in this Article 9, of any increase in a contract rate or rates covered by this Agreement, the Merchant may give to the Conference written notice of its intention to terminate this Agreement, insofar as it relates to the commodity or commodities on which the rate is increased, effective simultaneously with the effectiveness of such rate increase, and, in such event, this Agreement shall terminate on the effective date of such increase, unless, not less than 30 days before such effective date, the Conference gives to the Merchant notice that such increase has been rescinded, then, notwithstanding the Merchant's notice of termination, this Agreement shall continue in full force and effect; and the rate with respect to which such notice of increase has been given shall remain the same as it was on the date when notice of increase was given, until further action by the Conference to reduce or increase the same.

(c) In addition to the provisions of paragraph (b) of this Article 9, this Agreement may be terminated upon 90 days' written notice by the Merchant or by the Conference. However, the Conference may not cancel this Agreement with the Merchant unless, at the same time, it cancels all such similar agreement with other Merchants. For the purpose of this Article 9 "similar agreements" are agreements which cover goods which compete commercially with the goods listed in Appendix B hereof through being usable for substantially the same or similar purposes. Termination by either the Conference or the Merchant as provided in this paragraph shall incur no penalty; but no termination shall have the effect of abrogating any obligation of any party or parties hereto to any other party or parties which shall have accrued prior to termination.

10. The Conference shall promptly notify Merchant of changes in the Conference membership, and any additional Carriers which become members of said Conference shall thereupon and thereby automatically become parties to this Agreement, and the Merchant shall have thereupon the right to avail of their services under this Agreement. Any such Carrier so becoming a party to this Agreement and any Carrier among those

named at the foot hereof which for any reason ceases to be a member of the Conference shall not be a party to or participate in this Agreement and the Merchant shall not be entitled to ship over said Carrier under this Agreement after such Carrier ceases to be a member of the Conference or after having 15 days' written notice of the termination of such Carrier's membership, whichever is later. The Merchant may, at any time after notice that a Carrier has ceased to be a member of the Conference, cancel without penalty any outstanding forward booking with such withdrawing Carrier.

11. If at any time the Merchant shall make any shipment or shipments via a Carrier not a member of the Conference and in violation of any provision of this Agreement, the Merchant shall pay damages to the Conference in the amount of the aforementioned contract rate as set forth in the Conference tariff at the time of the breach, less the cost of loading and unloading which a member of the Conference would have incurred had the shipment moved via its vessel. All such damages payable by Merchant as a result of the breach of this Agreement shall be payable to Conference on behalf of all its members and any proceedings brought for the recovery of such damages against Merchant shall be brought by the Conference on behalf of all its members and not by individual members. In all other cases of breach of any provision of this Agreement the damages recoverable by the offended party shall be limited to actual damages to be determined in accordance with the principles of contract law.*

12. All constructions and interpretations of this Agreement shall be made in the light of the Shipping Act, 1916, and the rules of the Federal Maritime Commission promulgated pursuant to said Act.

13. Any and every dispute arising out of, or relating to, this Agreement or to breach hereof shall be settled by arbitration in [City and State]. One arbitrator shall be named by the Merchant, one arbitrator shall be named by the Conference, and a third arbitrator shall be named by the two arbitrators so chosen or, if they cannot agree, the third arbitrator shall be named by the American Arbitration Association. Both parties are required to name arbitrators within thirty (30) days after one or the other has been given notice. Any award made by the majority of the arbitrators shall be final and binding. *Provided, however, Nothing herein*

* Conference may, at its option, substitute the following as Clause 11:

"If either Merchant or Conference shall breach this Agreement the damages recoverable by the offended party shall be limited to actual damages to be determined in accordance with the principles of contract law."

Or, Conference may, at its option, add the following additional language at the end of Article 11(a) as written in the text above.

"It is hereby stipulated and agreed that the 'cost of loading and unloading' shall be equal, in accordance with the experience of the Carriers, to _____ percent of such freight and charges, except that either party, at its option, may elect to provide the actual cost of loading and unloading in which event the burden of proving the actual cost of loading and unloading will be upon the party electing to prove such actual cost of loading and unloading which would have been incurred if shipment had been made in accordance with this Agreement."

NOTE: If Conference desires to use this provision it must obtain express approval of the fixed percentage figure used for cost of loading and unloading. All requests for such approval shall be accompanied by the data upon which such percentage is based.

shall preclude the Federal Maritime Commission from discharging its duties under the Shipping Act, 1916. In any arbitration proceeding, including enforcement of any award, service of any and every notice and other paper may be made outside of the State of _____ by registered or certified mail, telegraph, or cable with the same force as if made personally within said State. In each case of such service, reasonable time shall be allowed for response to the notice or other paper served.

14. Since actual or threatened conditions of war, hostility or civil commotion (regardless of nations involved) may result in hazards to vessels and cargoes and increased costs to the Carriers, Merchant agrees that whenever, in the Conference's opinion, conditions of war or hostility or civil commotion, whether existing, previously existing or potential, create serious hazards or substantially increase costs, the Carriers, in their sole discretion, may forthwith suspend service and/or the contract rates to any or all ports and/or cancel this Agreement and/or increase the contract rates, once or oftener, to any or all ports, by addition of a surcharge, or otherwise, upon giving notice of such suspension, cancellation, or increase to Merchant. Upon such notice Merchant may forthwith cancel this Agreement without penalty.

15. This agreement may be amended from time to time subject always to the approval of the Federal Maritime Commission.

16. The term of this Agreement shall be until _____, and will thereafter be automatically renewed for terms of one year; *Provided, however, That it may be cancelled in accordance with Articles 9 and 14 hereof.*

In witness whereof, the parties have executed this Agreement the day and year first above written.

For and on behalf of the _____ Conference.

By _____
(Conference chairman)

By _____
(Merchant)
(Title)

List of conference members:

APPENDIX A

The following is a complete listing of all the undersigned company's agents and its subsidiary, associated, or parent companies who at the time of this writing are, or can reasonably be expected to be, engaged in the manufacture of, processing of, or in the buying or selling of, or otherwise trading in, or in any fashion interested in the ocean transportation of goods of the nature listed in Appendix B, or goods which compete commercially with those listed in Appendix B through being usable for substantially the same or similar purposes.

Company name	Address	Relationship to Merchant
_____	_____	_____
_____	_____	_____
_____	_____	_____

Signed this _____ day of _____, 19____
(Merchant)

Accepted this _____ day of _____, 19____
(Conference)

By: _____
(Conference)

APPENDIX B

In accordance with Article 2 of the Uniform Merchant's Rate Agreement to which

PROPOSED RULE MAKING

this Appendix is attached, the undersigned Merchant shall ship or cause to be shipped by the vessels of the Conference members all its shipments of the following goods and all goods similar to those listed below and all goods which compete commercially with those listed below through being usable for substantially the same or similar purposes.*

Signed this _____ day of _____,
19____

(Merchant)

By: _____

Accepted this _____ day of _____,
19____

(Conference)

By: _____

* If Merchant desires that the Conference contract rate be available for all its shipments (subject to the exclusions of Article 3 of said Agreement) the words "all commodities" should be inserted. If Merchant does not desire that this Agreement cover all its shipments, it should list the commodities or commodity lines for which the contract rate is desired.

Participation in this proceeding. Interested persons may participate in this rule making proceeding by filing with the Secretary, Federal Maritime Commission, Washington 25, D.C., within 30 days from the publication of this notice in the FEDERAL REGISTER, an original and 15 copies of their views or arguments pertaining to these proposed final rules and supporting legal briefs. All assertions of fact relating to these rules shall be accompanied by an affidavit in support thereof and shall contain the specific facts upon which any conclusions contained therein are based, and all suggestions that any provision be changed shall be accompanied by a draft of the suggested language to be used to accomplish the desired change. Requests for oral argument, if desired, should be included in such filings. Oral argument will be granted at the discretion of the Federal Maritime Commission.

Dated: December 27, 1962.

By order of the Federal Maritime Commission.

GEO. A. VIEHMANN,
Assistant Secretary.

[F.R. Doc. 63-37; Filed, Jan. 2, 1963;
8:49 a.m.]

Notices

DEPARTMENT OF THE TREASURY

Office of the Secretary

[Dept. Circ. 570, 1962 Rev. Supp. No. 17]

OCEAN ACCIDENT AND GUARANTEE CORP., LTD.

Termination of Authority To Qualify as a Reinsuring Company Only on Federal Bonds

DECEMBER 27, 1962.

Notice is hereby given that the Certificate of Authority issued by the Secretary of the Treasury to The Ocean Accident and Guarantee Corporation, Limited, London, England, under Treasury Department Circular No. 297, July 5, 1922, as amended, 31 CFR 223, to qualify as a reinsuring company only on recognizances, stipulations, bonds and undertakings permitted or required by the laws of the United States, is hereby terminated effective as of midnight December 31, 1962.

The Columbia Casualty Company, a New York corporation, holds a Certificate of Authority from the Secretary of the Treasury as an acceptable surety on bonds in favor of the United States. Pursuant to a Domestication Agreement and an Instrument of Transfer and Assumption, dated May 1, 1962, and effective midnight December 31, 1962, approved by the Superintendent of Insurance of the State of New York, October 15, 1962, Columbia Casualty Company, New York, New York, acquired all of the business and assets and assumed all of the liabilities of The Ocean Accident and Guarantee Corporation, Limited, London, England, United States Branch. Copies of these documents are on file in the Treasury Department, Bureau of Accounts, Surety Bonds Branch, Washington 25, D.C.

No action need be taken by bond approving officers, by reason of consummation of the Domestication Agreement and the terms of the Instrument of Transfer and Assumption, with respect to any bond or other obligations in favor of the United States, or in which the United States has an interest, direct or indirect, issued on or before December 31, 1962, by The Ocean Accident and Guarantee Corporation, Limited, London, England, United States Branch pursuant to the Certificate of Authority issued to the Company by the Secretary of the Treasury.

As a result of the domestication and transfer, an underwriting limitation of \$3,170,000.00 has been established for Columbia Casualty Company, New York, New York, by the Treasury Department, effective January 1, 1963, under the company's Certificate of Authority to act as an acceptable surety on Federal bonds.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[F.R. Doc. 63-18; Filed, Jan. 2, 1963; 8:46 a.m.]

[Dept. Circ. 570, 1962 Rev. Supp. No. 16]

UTICA MUTUAL INSURANCE CO.

Surety Companies Acceptable on Federal Bonds

DECEMBER 27, 1962.

A Certificate of Authority has been issued by the Secretary of the Treasury to the following company under the Act of Congress approved July 30, 1947, 6 U.S.C., secs. 6-13, as an acceptable surety on Federal bonds.

An underwriting limitation of \$1,525,000.00 has been established for the company. Further details as to the extent and localities with respect to which the company is acceptable as surety on Federal bonds will appear in the next revision of Department Circular 570, to be issued as of May 1, 1963. Copies of the circular, when issued, may be obtained from the Treasury Department, Bureau of Accounts, Surety Bonds Branch, Washington 25, D.C.

State in Which Incorporated, Name of Company, and Location of Principal Executive Office

New York
Utica Mutual Insurance Company
Utica, New York

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

[F.R. Doc. 63-19; Filed, Jan. 2, 1963; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

WAGES AND PRICES FOR THE 1963 CROP OF SUGAR BEETS IN CALIFORNIA

Notice of Hearing and Designation of Presiding Officers

Pursuant to the authority contained in subsections (c) (1) and (c) (2) of section 301 of the Sugar Act of 1948, as amended (61 Stat. 929; 7 U.S.C. 1131) as amended by Public Law 87-535 approved July 13, 1962, and in accordance with the rules of practice and procedure applicable to wage and price proceedings (7 CFR 802.1 et seq.), notice is hereby given that a public hearing will be on January 15, 1963, in Forest Service Room 539, Appraisers Building, 630 Sansome Street, San Francisco, California, beginning at 10 a.m.

The purpose of this hearing is to receive evidence likely to be of assistance to the Secretary of Agriculture in determining (1), pursuant to the provisions of section 301(c) (1) of the Act, fair and reasonable wage rates for persons employed in the production, cultivation, or harvesting of sugar beets for the 1963 crop on farms with respect to which applications for payment under the Act are made, and (2) pursuant to the pro-

visions of section 301(c) (2) of the Act, fair and reasonable prices for the 1963 crop of sugar beets to be paid under purchase or toll agreements by producers who process sugar beets grown by other producers and who apply for payments under the Act.

The hearing after being called to order at the time and place mentioned herein may be continued from day to day within the discretion of the presiding officers, and may be adjourned to a later day or to a different place without notice other than the announcement thereof at the hearing by the presiding officers.

To obtain the best possible information, all interested persons are requested to appear at the hearing to express their views and present appropriate data in regard to the foregoing matters.

J. Murray Thompson, A. A. Greenwood, and Ward S. Stevenson are hereby designated as presiding officers to conduct either jointly or severally the foregoing hearing.

Signed at Washington, D.C., on December 21, 1962.

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

[F.R. Doc. 63-1; Filed, Jan. 2, 1963; 8:45 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-204]

CONSOLIDATED EDISON CO.

Notice of Application for Construction Permit

Please take notice that Consolidated Edison Company of New York, Inc., 4 Irving Place, New York 3, New York, pursuant to section 104b of the Atomic Energy Act of 1954, as amended, has submitted an application dated December 10, 1962 for a construction permit to own and construct in New York City a pressurized water nuclear facility having an electrical capacity of approximately 1,000 megawatts derived from 2,030 thermal megawatts from a nuclear reactor and 820 thermal megawatts from oil-fired superheaters. The first core proposed for the reactor will utilize 103,000 kilograms of uranium oxide. The site proposed for construction of the nuclear facility is an 8.7 acre segment of a 39 acre tract of land owned by the applicant and located on the East River in the Borough of Queens, New York, opposite Welfare Island. The earliest estimated date for completion of the facility is October 1, 1969 and the latest estimated date for its completion is October 1, 1970.

A copy of the application is available for public inspection in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Germantown, Md., this 26th day of December 1962.

For the Atomic Energy Commission.

EDSON G. CASE,
Assistant Director for Facilities
Licensing, Division of Licens-
ing and Regulation.

[F.R. Doc. 63-3; Filed, Jan. 2, 1963;
8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 14251; Order No. E-19140]

ASSOCIATION OF LOCAL TRANSPORT AIRLINES

Order To Show Cause

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 27th day of December 1962.

In the matter of agreements filed under section 412 of the Federal Aviation Act of 1958, as amended, between members of the Association of Local Transport Airlines; Agreement CAB 10740, 10740-A1.

By Order E-12127 dated January 20, 1958, the Board approved the articles of the Association of Local Transport Airlines (ALTA),¹ subject to conditions (a) requiring prior Board approval for admission of associate members to ALTA and (b) limiting the extent of the approval granted by the order. Since that time, in administering its responsibilities under section 412(b) of the Federal Aviation Act of 1958, as amended (the Act), the Board has had an opportunity to review and act on agreements containing the organizational rules of other air carrier trade associations. In approving the rules of such organizations, the Board has found it in the public interest to attach a number of conditions, in addition to conditions of the type presently applicable to ALTA.² These conditions have been designed to assure objectivity in the conduct of the associations' affairs, as well as to keep the Board informed of the activities of the associations which may be of regulatory significance.

The Board, of course, wishes to regulate the air carrier associations under its jurisdiction on an equal basis and believes, in furtherance of such policy, that its approval of ALTA's articles of association should be modified at this time by the inclusion of conditions which will place ALTA on an equivalent footing with similar air carrier organizations. Accordingly, the Board proposes to amend the approval granted in Orders

E-12127 and E-14995 by attaching the conditions shown below,³ but before acting on the matter, wishes to provide a period of time for the filing of comments by interested persons. The proposed conditions follow:⁴

1. That an applicant for operator membership or allied operator membership in ALTA shall not be refused membership, if otherwise fully qualified, for failure of the application to be approved by a three-fourths majority of ALTA's directors;

2. That ALTA shall not accept any associate member into its organization except upon prior approval of the Board;⁵

3. That ALTA shall maintain full and complete minutes of meetings of its board of directors and of its general membership;⁶

4. That ALTA shall file the agenda for such meetings and the minutes thereof with the Board within thirty (30) days after the meeting;⁷

5. That ALTA shall file with the Board a true copy, or if oral, a true and complete memorandum, of any public relations program authorized or adopted by ALTA's board of directors or members, within thirty (30) days after such adoption.

6. That ALTA will so conduct its affairs as to preclude the Association, its officers or employees from engaging in the practice of law in such a manner as to create a claim of confidentiality based upon an alleged attorney-client relationship for documents or papers in its possession or control;⁸ ALTA will undertake not to maintain in its possession or control documents or papers prepared by members of the bar under color of an alleged attorney-client privilege; and accordingly, will undertake not to assert any such claim in any inspection by the Board of the records and affairs of the Association;

7. That the action of the Board herein shall not be construed as an approval or disapproval of any contract, agreement, or resolution entered into or any action taken pursuant to the instant agree-

³ Conditions previously applicable to ALTA are proposed to be continued in the form stated herein. See conditions (2) and (7).

⁴ ALTA's articles of association provide for suspension of a member only for non-payment of dues. They also provide for the settlement of disputes regarding the meaning, purpose or execution of the articles through use of binding arbitration under prescribed procedures. Accordingly, conditions imposed elsewhere requiring the use of arbitration and submission to the Board of agreements setting forth arbitration procedures are not considered necessary here.

⁵ If no such members are contemplated and ALTA's articles are amended accordingly, this condition could, of course, be deleted.

⁶ Such minutes shall contain, inter alia, a summary of the discussion identifying each participant on each matter, regardless of the action, or lack of action taken thereon.

⁷ The filing of minutes will not relieve ALTA from the requirement for filing separately contracts and agreements subject to section 412 of the Act.

⁸ Such restriction is not intended to prohibit the participation of an association in a Board proceeding pursuant to the provisions of Part 263 of the Board's Economic Regulations.

ments, as currently or hereafter constituted;

8. That the Board retains jurisdiction over this proceeding for the purpose of making such revisions in the foregoing conditions or imposing such further conditions as it may from time to time find to be just and reasonable; and

9. That, within fifteen (15) days after date of service of this order, ALTA shall submit to the Board a written statement evidencing acceptance by its members of the foregoing conditions.⁹

Accordingly, it is ordered:

1. That the members of ALTA¹⁰ show cause why the Board's approval of Agreements CAB 10740 and 10740-A1 should not be made subject to the conditions enumerated above;

2. That any interested person desiring to respond pursuant to ordering paragraph (1) shall file such response within thirty (30) days of the date hereof;¹¹

3. That a copy of this order be served on ALTA and its members; and

4. That this order shall be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board; members Gurney and Gilliland dissenting.¹²

[SEAL]

MABEL MCCART,
Acting Secretary.

[F.R. Doc. 63-31; Filed, Jan. 2, 1963;
8:47 a.m.]

[Dockets 12371, 14097; Order No. E-19134]

NATIONAL AIRLINES, INC.

Order Denying Temporary Suspension, Consolidating Application, and Instituting an Investigation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. on the 27th day of December 1962.

In the matter of the application of National Airlines, Inc., for temporary suspension or termination of service at Savannah, Georgia; in the matter of the application of National Airlines, Inc., for amendment of its certificate of public convenience and necessity.

On April 28, 1961, National Airlines, Inc. (National) filed an application pursuant to Part 205 of the Board's Economic Regulations requesting, inter alia, authority to suspend service at Savannah, Georgia, for a two-year period or until the Board shall have determined

⁹ This and the preceding conditions will become effective only upon issuance of a final order in this docket and, accordingly, no such statement is required in response to the instant order.

¹⁰ Alaska Airlines, Inc., Alaska Coastal-Ellis Airlines, Allegheny Airlines, Inc., Aloha Airlines, Inc., Bonanza Air Lines, Inc., Caribbean-Atlantic Airlines, Inc., Central Airlines, Inc., Cordova Airlines, Inc., Frontier Airlines, Inc., Hawaiian Airlines, Inc., Lake Central Airlines, Inc., North Central Airlines, Inc., Northern Consolidated Airlines, Inc., Ozark Airlines, Inc., Pacific Air Lines, Inc., Piedmont Aviation, Inc., Reeve Aleutian Airways, Inc., Southern Airways, Inc., West Coast Airlines, Inc. and Wien Alaska Airlines, Inc.

¹¹ The response should conform with the general requirements of the Board's rules of practice in Economic Proceedings.

¹² Dissenting statement filed as part of the original document.

¹ The articles of association were designated Agreement CAB 10740. At the time, ALTA's name was "Association of Local and Territorial Airlines." An amendment, CAB 10740-A1, dealing with participation of the Association in Board proceedings, was approved by Order E-14995, dated March 10, 1960.

² See, for example, Order E-18165, dated March 29, 1962, tentatively approving the certificate of incorporation and by-laws of the National Air Carrier Association, Inc., and Order E-18818, dated September 21, 1962, approving the articles of association of the Air Freight Forwarders Association.