Rules and Regulations

Title 7—AGRICULTURE

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Tree Nuts), Department of Agriculture

[Navel Orange Reg. 26]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

§ 907.326 Navel Orange Regulation 26.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907; 27 F.R. 10087), regulating the handling of navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such navel oranges as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on February 7, 1963.

(b) *Order.* (1) The respective quantities of navel oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a.m., P.s.t., February 10, 1963, and ending at 12:01 a.m., P.s.t., February 17, 1963, are hereby fixed as follows:

(i) District 1: 300,000 cartons;
(ii) District 2: 300,000 cartons;
(iii) District 3: Unlimited movement;
(iv) District 4: Unlimited movement.

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

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

Dated: February 8, 1963.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 63–1546; Filed, Feb. 8, 1963; 11:25 a.m.]

[Lemon Reg. 49]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.349 Lemon Regulation 49.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910; 27 F.R. 8346), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons as hereinafter provided will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on February 5, 1963.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., February 10, 1963, and ending at 12:01 a.m., P.s.t., February 17, 1963, are hereby fixed as follows:

(i) District 1: Unlimited movement;
(ii) District 2: 139,500 cartons;
(iii) District 3: Unlimited movement.

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

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

Dated: February 7, 1963.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 63–1512; Filed, Feb. 8, 1963; 8:52 a.m.]

[Grapefruit Reg. 14]

PART 912—GRAPEFRUIT GROWN IN INDIAN RIVER DISTRICT IN FLORIDA

Limitation of Handling

§ 912.314 Grapefruit Regulation 14.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 912, as amended (7 CFR Part 912; 27 F.R. 87; 28 F.R. 23), regulating the handling of grapefruit grown in the Indian River District in Florida, effective under the applicable provisions of the

Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Indian River Grapefruit Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for Indian River grapefruit, and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Indian River grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on February 7, 1963.

(b) *Order.* (1) The quantity of grapefruit grown in the Indian River District which may be handled during the period beginning at 12:01 a.m., e.s.t., February 11, 1963, and ending at 12:01 a.m., e.s.t., February 18, 1963, is hereby fixed at 250,000 standard packed boxes.

(2) As used in this section, "handled," "Indian River District," "grapefruit," and "standard packed box" have the same meaning as when used in said amended marketing agreement and order.

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

Dated February 7, 1963.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

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Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

[Rev. 1]

PART 122—BUSINESS LOANS

The Business Loan Regulation (13 CFR Part 122, 23 F.R. 10520) as amended (26 F.R. 4192, 5175, 5956, 8169, and 11353, and 27 F.R. 733) is hereby revised by deleting Part 122 in its entirety and substituting the following in lieu thereof:

Sec.
122.0 Statutory provisions.

FINANCIAL ASSISTANCE

122.1 General.
122.2 Eligibility.
122.3 Interest rates.

TYPES OF BUSINESS LOANS

122.4 Introduction.
122.5 Deferred participation loans.
122.6 Immediate participation loans.
122.7 Direct loans.
122.8 Group corporation loans.
122.9 Limited loan participations.
122.10 [Reserved]
122.11 Simplified bank loan participations.
122.12 Early maturities participations.
122.13 Simplified early maturities participations.
122.14 Purpose of loans.
122.15 Extension of RFC loans.
122.16 Step-by-step procedure for a business loan applicant.
122.17 Credit requirements.

TERMS AND CONDITIONS OF LOANS

122.18 Maturities.
122.19 Charges, commissions and fees.
122.20 Loan closing.

LOAN ADMINISTRATION

122.21 Loan administration.
122.22 Collection policy.
122.23 Sale and conversion of loans.

LIQUIDATION OF LOANS AND SECURITY

122.24 Liquidation policy.
122.25 Foreclosure of collateral.
122.26 Sale of acquired collateral.

AUTHORITY: §§ 122.0 through 122.26 issued under sec. 5, of Pub. Law 85–536, 72 Stat. 385.

§ 122.0 Statutory provisions.

SEC. 7. (a) The Administration is empowered to make loans to enable small-business concerns to finance plant construction, conversion, or expansion, including the acquisition of land; or to finance the acquisition of equipment, facilities, machinery, supplies, or materials; or to supply such concerns with working capital to be used in the manufacture of articles, equipment, supplies, or materials for war, defense, or civilian production or as may be necessary to insure a well-balanced national economy; and such loans may be made or effected either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis. The foregoing powers shall be subject, however, to the following restrictions and limitations:

(1) No financial assistance shall be extended pursuant to this subsection unless the financial assistance applied for is not otherwise available on reasonable terms.

(2) No immediate participation may be purchased unless it is shown that a deferred participation is not available; and no loan may be made unless it is shown that a participation is not available.

(3) In agreements to participate in loans on a deferred basis under the subsection, such participation by the Administration shall not be in excess of 90 per centum of the balance of the loan outstanding at the time of disbursement.

(4) Except as provided in paragraph (5), (A) no loan under this subsection shall be made if the total amount outstanding and committed (by participation or otherwise) to the borrower from the revolving fund established by this Act would exceed $350,000; (B) the rate of interest for the Administration's share of any such loan shall be no more than 5½ per centum per annum; and (C) no such loan, including renewals or extensions thereof, may be made for a period or periods exceeding ten years except that a loan made for the purpose of constructing facilities may have a maturity of ten years plus such additional period as is estimated may be required to complete such construction.

(5) In the case of any loan made under this subsection to a corporation formed and capitalized by a group of small-business concerns with resources provided by them for the purpose of obtaining for the use of such concerns raw materials, equipment, inventories, supplies or the benefits of research and development, or for establishing facilities for such purpose, (A) the limitation of $350,000 prescribed in paragraph (4) shall not apply, but the limit of such loan shall be $250,000 multiplied by the number of separate small businesses which formed and capitalized such corporations; (B) the rate of interest for the Administration's share of such loan shall be no less than 3 nor more than 5 per centum per annum; and (C) such loan, including renewals and extensions thereof, may not be made for a period or periods exceeding ten years except that if such loan is made for the purpose of constructing facilities it may have a maturity of twenty years plus such additional time as is required to complete such construction.

(6) The Administrator is authorized to consult with representatives of small-business concerns with a view to encouraging the formation by such concerns of the corporation referred to in paragraph (5). No act or omission to act, if requested by the Administrator pursuant to this paragraph, and if found and approved by the Administration as contributing to the needs of small business, shall be construed to be within the prohibitions of the antitrust laws or the Federal Trade Commission Act of the United States. A copy of the statement of any such finding and approval intended to be within the coverage of this section, and any modification or withdrawal thereof, shall be furnished to the Attorney General and the Chairman of the Federal Trade Commission when made, and it shall be published in the FEDERAL REGISTER. The authority granted in this paragraph shall be exercised only (A) by the Administrator, (B) upon the condition that the Administrator consult with the Attorney General and with the Chairman of the Federal Trade Commission, and (C) upon the condition that the Administrator obtain the approval of the Attorney General before exercising such authority. Upon withdrawal of any request or finding hereunder or upon withdrawal by the Attorney General of his approval granted under the preceding sentence, the provisions of this paragraph shall not apply to any subsequent act or omission to act by reason of such finding or request.

(7) All loans made under this subsection shall be of such sound value or so secured as reasonably to assure repayment.

* * * * *

(c) The Administration may further extend the maturity of or renew any loan made pursuant to this section, or any loan transferred to the Administration pursuant to Reorganization Plan Numbered 2 of 1954, or Reorganization Plan Numbered 1 of 1957, for additional periods not to exceed ten years

beyond the period stated therein, if such extension or renewal will aid in the orderly liquidation of such loan.

FINANCIAL ASSISTANCE

§ 122.1 General.

(a) It is the intent of Congress that government funds should be lent only after all other possible avenues for solving a small firm's financial problems have been explored. Frequently firms do not need a loan but are in need most of counseling on financial management problems. In such cases SBA provides assistance through its Financial Counseling Program.

(b) In response to requests for aid, or in examining applications for SBA loans, consideration is given to (1) possible assistance available from local development corporations; (2) possible means of obtaining credit on reasonable terms from banks, other private financing sources, or from utilization of the personal credit or resources of the applicant's owners or management; (3) adequacy of accounting methods and other aspects of financial management; (4) means of increasing equity capital; (5) eligibility for V-loan financing of defense contracts; (6) feasibility of obtaining advance or partial payments on contracts.

(c) All business loans shall be of such sound value, or so secured as reasonably to assure repayment. Security may include, but shall not be limited to, mortgage on real or personal property, assignment of accounts receivable or monies due on contracts, pledge of inventories or warehouse receipts, and guaranties.

§ 122.2 Eligibility.

As a public agency using taxpayers' funds, SBA has an unusual responsibility as a lender. SBA's loans must meet requirements established by Congress, must be for essential purposes, and must be fully justified. Accordingly, in order to be eligible, a business must qualify under the Loan Policy Statement, Part 120 of this chapter, and the small business size standards requirements, Part 121 of this chapter.

§ 122.3 Interest rates.

Interest rates on business loans are set forth in Part 120, § 120.3(b)(2).

TYPES OF BUSINESS LOANS

§ 122.4 Introduction.

Financial assistance by SBA to a borrower, including all affiliates, may not exceed $350,000 outstanding at any one time except that those loans in participation with banks or other lending institutions may exceed $350,000 in total so long as the amount of the participation by SBA does not exceed that amount. In Group Corporation Loans the limitation on SBA's share is $250,000 for each small business concern which formed and capitalized the Group Corporation.

§ 122.5 Deferred participation loans.

Deferred participation loans are those in which a bank or other private credit institution advances the capital needed, and SBA agrees to purchase, upon demand by the lending institution, an agreed portion of the unpaid balance then outstanding. SBA's participation in a deferred participation loan shall not exceed 90 percent of the principal balance of the loan outstanding at the time SBA disburses its funds. In such loans, SBA makes a charge to the lending institution based on a sliding scale set forth in Part 120, § 120.3(b)(1). The participation charges shall not be charged by the participating institution to the borrower. In deferred participation loans the interest rate on the bank's share applies to the entire loan until SBA purchases its share of such loan. Outstanding direct and immediate participation loans may be converted to deferred participation loans.

§ 122.6 Immediate participation loans.

Immediate participation loans are those where either SBA or a private lending institution agrees to purchase from the other, immediately upon disbursement, an agreed percentage of each disbursement. SBA's participation shall not exceed 90 percent of the amount of the loan. An immediate participation loan may not be made if a deferred participation is available. Outstanding direct loans may be converted to immediate participation loans.

§ 122.7 Direct loans.

Direct loans are those made wholly and directly by SBA to the borrower when no participation by a lending institution is available.

§ 122.8 Group corporation loans.

(a) *Loan limits.* In the case of a corporation formed and capitalized by a group of small-business concerns with resources provided by them to obtain for their own use raw materials, equipment, inventories, supplies or benefits of research and development or to establish facilities for such purposes, (1) the loan limitation on SBA's share is $250,000 multiplied by the number of separate small businesses participating in the Group Corporation; and (2) such loan, including renewals and extensions thereof, may not be made for a period or periods exceeding ten years except that, if such loan is made for the purpose of constructing facilities, it may have a maturity of twenty years plus such additional time as is required to complete the construction. These loans may be made either on a participation or direct basis.

(b) *Use of proceeds.* Under the provisions of paragraph (a) of this section, the raw materials, equipment, inventories, or supplies, or the benefits of research and development must be primarily for the use of the concerns organizing the Group Corporation.

(c) *Eligibility.* The applicant corporation shall be owned by a group of small-business concerns, including corporations, partnerships, individuals or any combination of the foregoing, each of which shall itself qualify as a small-business concern which would be eligible for a small-business loan. Each such concern shall share a need in common with the other small-business concerns forming said corporation, the satisfaction of which need is the purpose for which the Group Corporation is being organized. Such Group Corporation shall file its application in the same manner as other eligible business concerns according to procedures set forth in § 122.16.

(d) *Antitrust exemption.* In the event that such a corporation desires exemption from the prohibitions of the antitrust laws or the Federal Trade Commission laws, it may obtain such exemption by using the procedures prescribed in paragraph (e) of this section.

(e) *Procedures for obtaining antitrust exemptions.*

(1) A Group Corporation desiring an antitrust exemption, pursuant to section 7(a)(6) of the Small Business Act, as amended, will include a specific request for such exemption in its application.

(2) On reviewing an application containing an antitrust exemption request, the Administrator of SBA will consult with the Attorney General and the Chairman of the Federal Trade Commission with respect to the exemption. Upon receipt of the written approval of the Attorney General, the Administrator may make a finding that the formation of the group corporation will contribute to the needs of small business, and may approve the exemption.

(3) Upon the making of any such finding and approval, a copy of the finding and approval by the Administrator shall be furnished to the Attorney General and Chairman of the Federal Trade Commission and shall be published in the FEDERAL REGISTER. No action by such Group Corporation which has been approved by the Administrator, and which act is in furtherance of the purpose approved by the findings published in the FEDERAL REGISTER, shall be construed to be within the prohibitions of the antitrust laws or Federal Trade Commission Act of the United States.

(f) *Withdrawal of Exemption.* In the event that the Group Corporation withdraws its request for the exemption, or the Administrator withdraws his finding that the Group Corporation contributes to the needs of small business, or upon the withdrawal of the approval granted by the Attorney General, the antitrust exemption shall not apply to any subsequent act or omission to act by reason of such finding or request.

§ 122.9 Limited loan participations.

This loan plan is designed especially to assist small retail, wholesale, and service establishments (other types of business may also be eligible) which are unable to pledge as much collateral as is required for regular business loans, but which have a good earnings record, competent management, and a creditable record with local banks for meeting their obligations. Loans under this plan are made only in participation with private lending institutions and either on a deferred or immediate basis. Limited participation loans are authorized for maturity of not more than five years, generally repayable monthly, subject to the following limitations:

(a) SBA's share in any such loan shall not exceed $25,000 or 75 percent of the

total amount of the loan, whichever is the lesser.

(b) The participating institution's minimum share of the loan shall be the greater of (1) 25 percent of the loan, or (2) an amount equal to the participating bank's loan(s) to be refinanced with a part of the LLP loan. Such bank loans may be so refinanced provided the bank certifies that such debt is in good standing (payments and other obligations handled substantially as agreed) and is satisfactory in all respects.

(c) Emphasis shall be placed on the repayment ability of the borrower as determined from its record of past earnings.

§ 122.10 [Reserved]

§ 122.11 Simplified bank loan participations.

This loan plan is designed to provide greater expediency in the processing of SBA participation loan applications. It is a procedure whereby SBA may make a speedy evaluation of a loan and purchase its share of the loan as soon as the loan is ready for disbursement. It is especially designed to accommodate strong credit risks, not weak ones.

(a) The participating institution shall agree to disburse and service the loan initially.

(b) An immediate participation loan may be made where a deferred participation loan is not available.

(c) The participating institution's minimum share of the loan must be the greater of (1) 25 percent of the total amount of the loan, or (2) an amount equal to the bank's loan(s) to be refinanced under this plan.

(d) SBA reserves the option to require that the loan be processed or disbursed under alternative procedures.

(e) Where refinancing is proposed, SBA may require the participating institution's share of the loan to exceed the total amount of existing debts owed to the participating institution. The participating institution must certify, in writing, that such existing debt is in good standing (payments and other obligations handled substantially as agreed) and is satisfactory in all respects.

(f) Immediately after disbursement of the loan the participating institution shall submit the closing documents and memorandum of disbursement to SBA for review.

§ 122.12 Early maturities participations.

Early Maturities Participation loans are authorized on an immediate participation basis whereby the full amount of the early scheduled principal payments on a loan may be applied toward reduction of the participating financial institution's share of the total loan subject to the following limitations:

(a) The financial institution shall participate in an amount not less than the greater of the following sums: (1) The aggregate of the level amortized principal payments due in the first two years of the loan; (2) 25 percent of the loan; or (3) the full amount of any existing debt owed by the borrower to the participating financial institution, the remaining term of which is more than one year, and of any debt the remaining term of which is less than one year upon which payments, if required, have not been made as originally agreed.

(b) All such loans shall be amortized on a level principal payment basis, plus interest, and only such principal payments as are made within 60 days of due date may be applied toward early reduction of the participating institution's share of the total loan. Upon expiration of 60 days after default of any payment of principal or interest due on the loan, unless the default is cured by payment within that period, the proportionate interests of the SBA and the institution participating in the loan shall be frozen or fixed in amounts equal to their respective percentages of exposure in the loan as of the date of the last principal payment received prior to the default. All future payments on the loan from any source shall be paid over to, or credited to, the participating institution and SBA according to their respective percentages of the frozen or fixed participation.

(c) No such agreement shall establish any preference in favor of the lending institution in any collateral or security for the loan. At any time during the term of the loan while the participating institution continues to have an interest regardless of whether bank's participation has been declared frozen or fixed, the proceeds from the liquidation or sale of any collateral or security supporting the loan, including payments by guarantors, or any other principal payments due to be applied in inverse order of maturity, shall be paid over to, or credited to, the participating institution and SBA in amounts according to their respective percentages of interest or exposure in the loan based upon the outstanding balance of the loan as of the date such principal payment is received.

(d) Upon the repayment of the aggregate amount of amortized payments due the participating institution, SBA shall assume servicing of the loan and sole custody and control of all collateral, provided that at the option of the participating institution it may purchase or enter into a new participation in the loan in an amount not less than its original participation and continue to service the loan. The new participation shall then be liquidated in the same manner as the original participation. The participating institution shall have additional options throughout the term of the loan periodically to enter into new participations in the loan in an amount not less than its original participation, or may at any time purchase or acquire the entire outstanding loan.

§ 122.13 Simplified early maturities participations.

This loan plan combines the features of the Early Maturities Participation plan and the Simplified Bank Loan Participation plan. It is designed primarily to encourage a larger percentage of participation by private lending institutions in immediate participation loans. It is designed for preferred credit risks.

(a) The participating institution must agree to service the loan initially.

(b) The participating institution's minimum share must be not less than the greater of: (1) 50 percent of the total amount of the loan, or (2) an amount not less than the participating institution's loan(s) to be repaid with a part of the new loan. The participant must certify, in writing, that such refinanced debt is in good standing (payments and other obligations handled substantially as agreed) and is satisfactory in all respects.

(c) All such loans shall be amortized on a level principal payment basis plus interest. Only payments made within 90 days of the due date can be applied toward early reduction of the participating institution's share of the total loan. Upon expiration of 90 days after default of any payment of principal or interest due on the loan, unless default is cured by payment within that period, the proportionate interests of the SBA and the institution participating in the loan shall be frozen or fixed in amounts equal to their respective percentages of interest or exposure in the loan as of the date of the last principal payment received prior to the default. All future payments on the loan from any source shall be paid over to, or credited to, the participating institution and SBA according to their respective percentages of the frozen or fixed participation.

(d) The period of time during which the participating institution's share will be repaid shall be based on the same proportion of loan maturity that the institution's participation bears to the total amount of the loan; e.g., a bank would be repaid over a period of 3 years if it participates 50 percent in a 6 year loan; or repaid in 6 years by participating 60 percent in a 10 year loan.

(e) No agreement under this loan plan shall establish any preference in favor of the lending institution in any collateral or security for the loan. At any time during the term of the loan while the participating institution continues to have an interest, regardless of whether bank's participation has been declared frozen or fixed, the proceeds from the liquidation or sale of any collateral or security supporting the loan, payments by guarantors, or any other principal payments due to be applied in inverse order of maturity, shall be paid over to, or credited to, the participating institution and SBA according to their respective percentages of interest or exposure in the loan based upon the outstanding balance of the loan as of the date such principal payment is received.

(f) Upon the repayment of the aggregate amount of amortized payments due the participating institution SBA shall assume servicing of the loan and sole custody and control of all collateral, provided that at the option of the participating institution it may purchase or enter into a new participation in the loan in a percentage of participation not less than its original percentage of participation in the loan and it shall continue to service the loan. The new participation shall then be liquidated in the same manner as the original participa-

tion. The participating institution shall have additional options throughout the term of the loan periodically to enter into new participations in the loan at a percentage of participation not less than its original percentage of participation or may at any time purchase or acquire the full outstanding loan.

§ 122.14 Purposes of loans.

SBA makes loans to small manufacturers, wholesalers, retailers, service establishments and other firms when financing is not otherwise available on reasonable terms. Loans are made by SBA to: (a) Finance construction, conversion, or expansion; (b) finance the purchase of equipment, facilities, machinery, supplies or materials; or (c) supply working capital.

§ 122.15 Extension of RFC loans.

Actions taken by SBA pursuant to the authority of section 7(c) of the act are limited to such periods of time as appear necessary to avoid forced liquidation of loans. Extensions are granted under this section only when it appears that no other course of liquidation will result in a greater and earlier recovery of the indebtedness.

§ 122.16 Step-by-step procedure for a business loan applicant.

(a) Before applying to SBA, an applicant should make every effort to obtain the loan elsewhere.

(b) If unable to obtain the entire loan from a bank or other source, the applicant should ascertain whether a bank will make the loan if SBA agrees to purchase a participation.

(c) If the applicant is unable to obtain the loan or a participation in a loan from any other source, then SBA will consider an application for a direct loan.

(d) An applicant desiring to obtain a loan from SBA should apply to SBA's office serving the territory in which the applicant is located. Addresses of offices may be obtained from SBA.

(e) When an applicant first communicates with SBA's office it should be able to furnish a history of its business, the amount of the loan desired, how it will be secured, the purpose of the loan and the nature of its business. It should also be able to present current operating and financial statements and, if available, the statements for the previous several years.

(f) Applicant should furnish the names of banks to which it has applied for financial assistance, the reason it was unable to obtain the financing applied for, and whether the bank, if unable to make the loan without SBA's participation, would make the loan on condition that SBA agree to purchase a participation.

(g) SBA's office will furnish appropriate application forms and any necessary preparation information.

(h) After filing application with either bank or SBA, the applicant will then be notified of the decision either to grant or deny the requested financial assistance.

§ 122.17 Credit requirements.

A loan applicant must meet certain practical credit requirements established by SBA. Principal requirements are as follows:

(a) An applicant must be of good character.

(b) There must be evidence that he has ability to operate his business successfully.

(c) He must have enough capital in the business so that, with loan assistance from SBA, it will be possible for him to operate on a sound financial basis.

(d) As required by the Small Business Act, as amended, the proposed loan must be "of such sound value or so secured as reasonably to assure repayment."

(1) *Loan appraisals.* Regional Directors are responsible for the proper evaluation of collateral offered to secure a proposed loan and of collateral pledged in connection with the administration and liquidation of loans. Such evaluation may be based upon an appraisal made by a competent independent appraiser approved by SBA or upon an appraisal made by an employee of SBA. Appraisal also may include, in addition to collateral values, an evaluation of the productive and earning potential of an applicant in those cases where it has been determined necessary.

(e) The past earnings record and future prospects of the firm must indicate ability to repay a loan out of income from the business. In the event that an engineering survey of a company's operation, earnings, management, competitive position, and related factors is desired in connection with a loan application, the nature and extent of such a survey shall be determined by review of the case. A technical evaluation will contain a report on the following kinds of subjects. The list is not all-inclusive, merely indicative:

(1) Principal company products.
(2) Productive capacity.
(3) Break-even point.
(4) Sales.
(5) Market or potential sales of the product.
(6) Competitive factors.
(7) Suitability of present plant and equipment.
(8) New machinery needed.

(f) Security may include: Mortgage on land, buildings and equipment; assignment of warehouse receipts for marketable merchandise stored in satisfactory warehouses; mortgage on chattels; or assignment of current receivables (accounts, notes or trade acceptances). The applicant may offer as additional collateral any other assets of sound value. A pledge of inventories generally will not be regarded as satisfactory collateral unless stored in a bonded or otherwise acceptable warehouse, or unless the applicable State law provides for creating and maintaining a satisfactory lien upon inventory not so warehoused.

(g) While the questions of security and collateral are important in determining whether a loan will be made, they do not alone constitute the factors upon which the approval or rejection of an application is determined. SBA attaches great importance to management; the inherent soundness of the business enterprise; its earnings record and prospects; its long-range possibilities of successful operation; and whether the granting of a loan will increase employment or have other favorable effects upon the economic life of the community.

TERMS AND CONDITIONS OF LOANS

§ 122.18 Maturities.

The maturity of each loan (except as specifically stated for special programs) is limited to ten years but shall be restricted to the minimum consistent with sound business practice. Loans are generally repayable monthly with payments to include both principal and interest. Special repayment plans may be arranged to meet those situations where income is seasonal.

§ 122.19 Charges, commissions and fees.

(a) Payment of bonus, or brokerage fees or commissions for the purpose of, or in connection with, obtaining loans from SBA or loans in which SBA participates is prohibited. The applicant, subject to SBA approval, may pay actual reasonable costs incurred in connection with the application, including such items as compensation for services rendered by attorneys, appraisers and accountants, but in no event may an applicant make any payment in the nature of a fee or commission.

(b) The applicant is required to certify the names of all attorneys, accountants and other representatives engaged by him in connection with the loan and all such attorneys, accountants and representatives are required to execute an agreement relating to the compensation paid or to be paid for their services. All compensation or other charges must be approved by SBA before payment is made, or if payment has been made, a refund of any excessive portion of the charge must be made to the applicant. See Part 103 of this chapter for further regulations with respect to representatives and their compensation.

§ 122.20 Loan closing.

If SBA approves a loan application, a formal loan authorization is issued by SBA. This authorization is not a contract to lend or a loan agreement. Instead, it states the condition which the borrower must meet before loan funds will be disbursed. When the borrower is prepared to meet these conditions, SBA or the participating institution will arrange a date, time and place for closing the loan.

LOAN ADMINISTRATION

§ 122.21 Loan administration.

Participation loans which are closed by the bank will be administered by the bank, and participation loans or direct loans closed by SBA will be administered by SBA. However, SBA reserves the right to transfer the servicing of a participation loan from the bank to SBA.

§ 122.22 Collection policy.

It is the policy of SBA to insist upon prompt payment of due installments and

upon compliance with all terms and conditions of the note, mortgage and loan agreements. Any request for relief should be directed to the participating bank or SBA field office, whichever is servicing the loan. No deviation in the terms and conditions of the note or other instruments will be condoned without the written approval of the participating bank, if a bank has participated in the loan. However, in order to aid and assist borrowers in the discharge of their financial obligations, it is the policy of SBA to advise and counsel with borrowers in the management, production and financial aspects of their business, with a view of encouraging the development of a healthy, growing concern.

§ 122.23 Sale and conversion of loans.

(a) Directors of the regional offices are authorized to effect the sale of any direct loan upon receipt of the written consent of the borrower and payment in the amount of the borrower's indebtedness. Loans made pursuant to the Small Business Act, as amended, and those loans which were transferred to SBA in accordance with Reorganization Plans No. 2 of 1954 and No. 1 of 1957 will not be sold for less than the amount of the borrower's obligation.

(b) Direct loans may be converted to participation loans in which a bank or other lending institution will purchase a participating interest. Such a conversion may be to either the form of a deferred participation loan or of an immediate participation loan.

(c) An immediate participation loan may be converted to a deferred participation loan or a loan wholly owned by the participating bank without the borrower's approval upon payment of the unpaid amount of SBA's participation in such loan, together with the accrued interest due thereon and any advances that may have been made by SBA.

(d) Any deferred participation agreement may be terminated upon receipt of a written request from the participating institution, provided SBA has not purchased its participation and the participation charges are paid to the date of termination.

LIQUIDATION OF LOANS AND SECURITY

§ 122.24 Liquidation policy.

(a) It is the policy of SBA to aid, counsel, assist and protect small-business concerns to which loans have been made. Ordinarily, the liquidation of the property securing a loan will not be resorted to if there appears to be any reasonable probability that the loan may be repaid by the borrower or a guarantor within a reasonable period.

(b) Liquidation of the security may be authorized or approved when any one of the following conditions exists:

(1) A borrower is in default in the payment of one or more installments due under a note or has defaulted in the performance of conditions contained in the note, loan agreement, other instrument, or a security instrument, and its failure to cure such default or defaults or to make acceptable arrangements to cure the same is due to (i) lack of diligence; (ii) lack of managerial ability which the borrower has failed or refused to correct; (iii) other circumstances within the borrower's control; or (iv) the inability of the borrower to remedy the default;

(2) Foreclosure or other proceedings have been instituted which may jeopardize the interest of the Government;

(3) A borrower has filed a voluntary petition or an involuntary petition has been filed against the borrower pursuant to any of the provisions of the Bankruptcy Act, as amended;

(4) A receiver has been appointed or other judicial action taken for the purpose of liquidating the borrower's assets;

(5) The borrower has made an assignment for the benefit of creditors which may result in the liquidation of his assets;

(6) The borrower is in default and has discontinued or abandoned the business and has not submitted an acceptable plan of payment;

(7) The failure of the borrower to disclose in his loan application any fact deemed by SBA to be material or the making of any false statement or material misrepresentation by, on behalf of, or for the benefit of, the borrower in the loan application, in any of the loan agreements or in any affidavit or other document submitted in connection with such application.

§ 122.25 Foreclosure of collateral.

Real and personal property, including contracts and claims, hypothecated as security for the payment of a loan which is in default may be sold in accordance with the provisions of the pledge or security instrument whereby such property was hypothecated.

§ 122.26 Sale of acquired collateral.

(a) The property acquired by SBA or the servicing bank in the liquidation of loans will be offered for sale by the director of the regional office or bank which is servicing the loan. All sales, unless otherwise authorized, will be effected through competitive bids at either a sealed bid sale or an auction sale. In those instances where property which has been acquired cannot be sold advantageously at a sealed bid or auction sale, the regional director may be authorized to negotiate with prospective purchasers for the sale of the property.

(b) The right, title and interest of SBA in property sold will be conveyed by an appropriate bill of sale or deed, without representation or warranty.

(c) SBA does not look with favor upon renting or leasing acquired property nor the granting of options to purchase, inasmuch as it is desirous of selling such property and thereby liquidating its investment in same as soon after acquisition as possible. In those instances where the property cannot be sold advantageously and it appears to be in the interests of the Government to lease the same proposals for a lease will be considered. Any such proposal must provide for termination by SBA upon the giving of reasonable notice so that the sale of the property may not be unduly delayed.

This revision of Part 122 shall become effective upon publication in the FEDERAL REGISTER without prejudice to any actions initiated prior to publication.

Dated: January 31, 1963.

JOHN E. HORNE,
Administrator.

[F.R. Doc. 63-1457; Filed, Feb. 8, 1963; 8:48 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 1490; Amdt. 534]

PART 507—AIRWORTHINESS DIRECTIVES

Sud Aviation SE-210 Caravelle Mark III and VIR Aircraft

A proposal to amend Part 507 of the regulations of the Administrator to include an airworthiness directive requiring installation of a guard to retain the control rod on Sud Aviation SE-210 Caravelle Mark III and VIR aircraft was published in 27 F.R. 11675.

Interested persons have been afforded an opportunity to participate in the making of the amendment. A comment was received recommending that the AD not be issued since the sole United States operator would accomplish the modification prior to the proposed compliance time. Since there is no certainty that other aircraft of this type will not be obtained by other U.S. operators, the AD is still considered necessary.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 507.10(a) of Part 507 (14 CFR Part 507), is hereby amended by adding the following new airworthiness directive:

SUD AVIATION. Applies to all SE-210 Caravelle Mark III and VIR aircraft except Serial Numbers 117, 120, 125 and subsequent.

Compliance required as indicated.

To prevent the flight control system push-pull rod from jamming adjacent components in the event of loss of a connecting bolt, and thereby preventing emergency control of the aircraft by means of trim controls, accomplish the following:

(a) For aircraft with 2,700 or more hours' time in service as of the effective date of this AD, compliance with (c) is required within the next 300 hours' time in service.

(b) For aircraft with less than 2,700 hours' time in service as of the effective date of this AD, compliance with (c) is required prior to 3,000 hours' time in service.

(c) Install push-pull rod guards at each aileron, elevator and rudder control rod in accordance with Sud Aviation Caravelle Service Bulletins Nos. 27-130, revised May 9, 1962, and 27-157 dated July 20, 1962, or an FAA approved equivalent.

This amendment shall become effective March 12, 1963.

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

Issued in Washington, D.C., on February 5, 1963.

G. S. MOORE,
Acting Director,
Flight Standards Service.

[F.R. Doc. 63-1437; Filed, Feb. 8, 1963; 8:45 a.m.]

Chapter V—National Aeronautics and Space Administration

PART 1204—ADMINISTRATIVE AUTHORITY AND POLICY

Subpart 5—Delegations and Designations

1. New § 1204.503 is added to read as follows:

§ 1204.503 Determination and delegations of authority concerning the granting of easements.

(a) *Scope.* This § 1204.503 sets forth the determination of the Administrator, National Aeronautics and Space Administration (NASA), that the granting of easements under certain conditions will not be adverse to the interests of the United States, and sets forth his delegations of authority to the Director of Administration, NASA Headquarters and Directors of NASA field installations to grant such easements.

(b) *Determination.* I hereby determine that an easement will not be adverse to the interests of the United States if and to the extent that the interest in real property conveyed thereunder is not required for a NASA program and the grantee's exercise of rights under such easement will not interfere with NASA operations. However, no easement shall be granted under this authority unless:

(1) The officer granting such easement determines that the interest in real property to be conveyed thereunder is not required for a NASA program and that the grantee's exercise of rights under such easement will not interfere with NASA operations; and

(2) Monetary or other benefit, including any interest in real property, is received by the Government as consideration for the granting of such easement; and

(3) The instrument granting such easement provides:

(i) For the termination of the easement, in whole or in part, if there has been:

(*a*) A failure to comply with any term or condition of the grant; or

(*b*) A non-use of the easement for a consecutive two-year period for the purpose for which granted; or

(*c*) An abandonment of the easement; or

(*d*) A determination by the officer granting such easement that the interests of the national space program, the national defense, or the public welfare require the termination of such easement; and a 30-day notice, in writing, to the grantee that such determination has been made; and

(ii) That written notice of such termination shall be given to the grantee, or its successors or assigns, by the officer granting such easement, and that termination shall be effective as of the date of such notice; and

(iii) For any other reservations, exceptions, limitations, benefits, burdens, terms, or conditions which the officer granting such easement deems necessary to protect the interests of the United States.

(c) Delegation of authority—(1) *Authority.* The Director, Office of Administration, NASA Headquarters, and the Directors of field installations with respect to real property under their supervision and management, may, subject to the restrictions in paragraph (b) of this section, exercise all of the authority of the National Aeronautics and Space Administration under the Act of Congress approved October 23, 1962 (40 U.S.C. 319 to 319c), including the authority to grant on behalf of the United States, to a State or political subdivision or agency thereof or to any person applying therefor, such easements in, over, or upon real property of the United States controlled by NASA as will not be adverse to the interests of the United States.

(2) *Deviations.* If, in connection with a proposed granting of an easement, the Director, Office of Administration, NASA Headquarters, or a Director of a field installation determines that a deviation from the restrictions in paragraph (b) of this section is appropriate, he may request authority for such deviation from the Administrator, NASA.

(42 U.S.C. 2473(b)(1))

Effective date. This section is effective upon publication in the FEDERAL REGISTER.

JAMES E. WEBB,
Administrator.

[F.R. Doc. 63-1448; Filed, Feb. 8, 1963; 8:47 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; CONFIRMATION OF EFFECTIVE DATE

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 706 (b), (c), 74 Stat. 399, 402; 21 U.S.C. 376 (b), (c)), and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (25 F.R. 8625), notice is hereby given that no objections were filed to the order published in the FEDERAL REGISTER of December 28, 1962 (27 F.R. 12828), with reference to the color additive D. & C. Green No. 6. Accordingly, the amendments promulgated by that notice will become effective February 26, 1963.

(Sec. 706 (b), (c), 74 Stat. 399, 402; 21 U.S.C. 376 (b), (c))

Dated: February 5, 1963.

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

[F.R. Doc. 63-1461; Filed, Feb. 8, 1963; 8:50 a.m.]

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

ADHESIVES

Subsequent to the promulgation of § 121.2520 *Adhesives* in the FEDERAL REGISTER of July 27, 1962, certain comments were received relating to components. In addition, petitions were received from the following persons requesting changes to clarify the identification of certain items and the addition of several new items to the list "Components of Adhesives":

Celanese Corporation of America, 522 Fifth Avenue, New York 36, New York (FAP 932);

Chemirad Corporation, Post Office Box 187, East Brunswick, New Jersey (FAP 895);

The Dow Chemical Company, Midland, Michigan (FAP 940);

Eastman Chemical Products, Inc., Kingsport, Tennessee (FAP 927);

Esso Research and Engineering Company, Post Office Box 172, Linden, New Jersey (FAP 906);

Pennsylvania Industrial Chemical Corporation, 120 State Street, Clairton, Pennsylvania (FAP 452, 454, 457, 768, 929 and 930);

Rubber Corporation of America, New South Road, Hicksville, Long Island, New York (FAP 870);

Shell Chemical Company, 50 West Fiftieth Street, New York 20, New York (FAP 888); and

Tennessee Products and Chemical Corporation, 2611 West End Avenue, Nashville 5, Tennessee (FAP 902).

The Commissioner of Food and Drugs has evaluated the comments received, the data contained in the petitions filed, and other relevant material, and has concluded that the food additive regulations should be amended as hereinafter provided, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 409(c)(1), 701, 52 Stat. 1055 as amended, 72 Stat. 1786; 21 U.S.C. 348(c)(1), 371), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (25 F.R. 8625).

In § 121.2520(c)(5), the list "Components of adhesives" is amended as follows:

1. Under the item "Polymers: Homopolymers and copolymers * * *", the

monomer "Ethyl cyanohydrin" is changed to read "Ethylene cyanohydrin".

2. The item "Polyurethane resins produced by * * *" is changed to read:

Polyurethane resins produced by reacting diisocyanates with one or more of the polyols or polyesters named in this subparagraph.

3. The item "Rosin salts (salts of rosin, wood, gum, and tall oil, and the dimers thereof, decarboxylated rosin, disproportionated rosin) * * *" is changed to read:

Rosin salts (salts of wood, gum, and tall oil rosin, and the dimers thereof, decarboxylated rosin, disproportionated rosin, hydrogenated rosin):
Aluminum.
Ammonium.
Calcium.
Magnesium.
Potassium.
Sodium.
Zinc.

4. The item "Sodium mercaptobenzol" is deleted.

5. By inserting in the list, in alphabetical order, the following new items:

Anhydroenneaheptitol.
1,3-Butanediol.
Dihexyl phthalate.
Dipentene resins.
4,4'-Methylenebis(2,6-di-*tert*-butylphenol).
α-Methylstyrene-vinyl toluene copolymer.
Petroleum hydrocarbon resin (cyclopentadiene type), hydrogenated.
Pine oil.
Polyethylenimine.
Polyisoprene.
Polypropylene, noncrystalline.
Sodium capryl polyphosphate.
Sucrose benzoate.
Xylene (or toluene) alkylated with dicyclopentadiene.

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.

(Secs. 409(c)(1), 701, 52 Stat. 1055 as amended, 72 Stat. 1786; 21 U.S.C. 348(c)(1), 371)

Dated: February 5, 1963.

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

[F.R. Doc. 63-1462; Filed, Feb. 8, 1963; 8:50 a.m.]

PART 121—FOOD ADDITIVES

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

FILTERS, RESIN-BONDED

The Commissioner of Food and Drugs, having evaluated the data submitted in a petition (FAP 745) filed by Nopco Chemical Company, 60 Park Place, Newark 1, New Jersey, and other relevant material, has concluded that the food additive regulations should be amended as hereinafter provided to permit the use of additional substances employed in the finishing of fibers used in the production of resin-bonded filters intended for use in contact with food. 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), the food additive regulations (21 CFR 121.2536) are amended as follows:

Section 121.2536(d)(2) is amended to read as follows:

§ 121.2536 Filters, resin-bonded.

* * * * *

(d) * * *

(2) *Substances employed in fiber finishing:*

BHT.
Butyl (or isobutyl) palmitate or stearate.
Dimethylpolysiloxane.
Fatty acid (C_{10}–C_{18}) diethanolamide condensates.
Fatty acids derived from animal or vegetable fats and oils, and salts of such acids, single or mixed, as follows:
Aluminum.
Ammonium.
Calcium.
Magnesium.
Potassium.
Sodium.
Triethanolamine.
Fatty acid (C_{10}–C_{18}) mono- and diesters of polyoxyethylene glycol (molecular weight 400–3,000).
Methyl esters of fatty acids (C_{10}–C_{18}).
Mineral oil.
Polyoxyethylene (9–10 mols) ether of octyl- or nonylphenol.
Ricebran oil.
Titanium dioxide.

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

Dated: February 5, 1963.

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

[F.R. Doc. 63-1463; Filed, Feb. 8, 1963; 8:50 a.m.]

PART 121—FOOD ADDITIVES

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

SURFACE LUBRICANTS USED IN THE MANUFACTURE OF METALLIC ARTICLES

The Commissioner of Food and Drugs, having evaluated the data submitted in a petition filed by Wilson-Martin, Division of Wilson and Company, Inc., Snyder Avenue and Swanson Street, Philadelphia 48, Pennsylvania, and other relevant material, has concluded that the food additive regulations should be amended as hereinafter provided, 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). In § 121.2531 *Surface lubricants used in the manufacture of metallic articles*, paragraph (c) is amended in the list of substances by inserting after the item "*tert*-Butyl alcohol" the new item "Butyl stearate".

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

Dated: February 5, 1963.

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

[F.R. Doc. 63-1464; Filed, Feb. 8, 1963; 8:50 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

SUBCHAPTER A—GENERAL

PART 200—INTRODUCTION

Subpart D—Delegations of Basic Authority and Functions

In Part 200 the entries in the Table of Contents for § 200.78 and §§ 200.81–200.84 are amended as follows:

Sec.
200.78 Accounts Officer and Deputy.
200.81 Home Property and Mortgage Officer and Deputy.
200.82 Reports Officer and Deputy.
200.83 Assistant Commissioner for Property Disposition and Deputy.
200.84 Assistant Commissioner for Congressional Liaison and Public Information.

In § 200.77 paragraphs (a), (i), (k), (p) and (t) are amended as follows:

§ 200.77 Assistant Commissioner-Comptroller and Deputy.

* * * * *

(a) To be responsible to the Commissioner for coordination and general supervision of the Procedures Branch, Financial Reports Branch, the Accounting Branch, the Home Property and Mortgage Branch, the Insurance Branch, and the Fiscal Branch.

* * * * *

(i) To certify financial statements, and to execute and submit or to cause to be executed and submitted under his direction to the Treasury Department and/or to the Bureau of the Budget inter-governmental financial reports required by applicable statutes or regulations of the Treasury Department or Bureau of the Budget.

* * * * *

(k) To submit or cause to be submitted under his direction to the Treasury Department (1) authorizations for (i) purchase of U.S. Government securities, pursuant to agreements between mortgagors or other depositors and FHA and (ii) sale and disposition of U.S. Government securities purchased for mortgagors or other depositors, received as a result of assignment of insured mortgages or as a result of other agreements; (2) for safekeeping, U.S. Government securities deposited in accordance with mortgagor corporate charters, regulatory or special agreements; and (3) requests for withdrawal of U.S. Government securities.

* * * * *

(p) To endorse or cause to be endorsed under his direction mortgage notes for insurance; to take or cause to be taken under his direction any action necessary to consummate the sale of Commissioner-held mortgages to purchasers of such mortgages; and to execute satisfactions of Commissioner-held mortgages when the mortgage indebtedness has been paid in full.

* * * * *

(t) To approve or disapprove or cause to be approved or disapproved under his direction amounts claimed by mortgagees in their claim for insurance benefits, including amounts claimed for operating, protecting and preserving properties prior to conveyance to the Commissioner; to execute or cause to be executed under his direction Certificates of Claim and certify or cause to be certified under his direction the requisitions to the Treasury Department for the issuance of debentures; to certify or cause to be certified under his direction vouchers for cash settlement of claims; and to approve or disapprove the purchase of debentures submitted by mortgagees in connection with mortgage insurance premiums.

Section 200.78 is amended to read as follows:

§ 200.78 Accounts Officer and Deputy.

To the position of Accounts Officer, and under his general supervision to the position of Deputy Accounts Officer, there is delegated the following basic authority and functions:

(a) To direct the activities of the Accounting Branch.

(b) To devise and establish accounting procedures and policies and to maintain official accounting records for all activities of the Administration.

(c) To devise and establish accounting and automatic data processing procedures and policies and to provide an integrated electronic data processing service to all organizational elements of the FHA including consultative and advisory services relating to surveying, programming and cost analysis of proposed conversions to such processing.

(d) To provide technical advice and guidance to all organizational elements of the Administration in the field of accounting and data processing.

(e) To maintain liaison with the General Accounting Office, Treasury Department and other agencies of the Government on accounting matters and to collaborate with such departments and agencies in the formation of accounting programs.

(f) To maintain liaison with the Interagency ADP Committee, the Bureau of the Budget, the General Services Administration, the Office of the Administrator and other agencies of the Government on data processing matters, and to collaborate with such departments and agencies in the development of data processing programs and policies.

(g) To act with the Assistant Commissioner-Comptroller and under his direction in the determination of basic accounting policy.

In § 200.80 paragraph (d) is amended to read as follows:

§ 200.80 Fiscal Officer and Deputy.

* * * * *

(d) To certify that all required documents, information and approvals with respect to operating and property expense and debenture transactions are present; to verify the accuracy of the computations and the consistency of the information included in the various documents; to determine that the transactions are in strict accordance with all applicable regulations, decisions and laws; to execute Certificates of Claim; to certify requisitions to the Treasury Department for the issuance of debentures; and to certify vouchers for cash settlement of claims.

Former §§ 200.81 and 200.82 are renumbered § 200.83 and § 200.84 respectively. As renumbered, the headings for §§ 200.83 and 200.84 read as follows:

§ 200.83 Assistant Commissioner for Property Disposition and Deputy.
§ 200.84 Assistant Commissioner for Congressional Liaison and Public Information.

Part 200 is amended by adding a new § 200.81 as follows:

§ 200.81 Home Property and Mortgage Officer and Deputy.

To the position of Home Property and Mortgage Officer and under his general supervision to the position of Deputy Home Property and Mortgage Officer, there is delegated the following basic authority and functions:

(a) To direct the activities of the Home Property and Mortgage Branch.

(b) To devise and establish procedures and policies and to maintain official records for all home properties and mortgages held by the Commissioner.

(c) To provide technical advice and guidance to all organizational elements of the Administration in the fields of home property accounting and mortgage note servicing.

(d) To maintain liaison with the General Accounting Office, the Treasury Department, the Federal National Mortgage Association and other agencies of the Government on matters pertaining to the acquisition and sale of home properties, the servicing of mortgage notes and the sale and insurance of Commissioner-held mortgages.

(e) To endorse mortgage notes for insurance and to take any action necessary to consummate the sale of Commissioner-held mortgages to purchasers of such mortgages.

(f) To develop and maintain a program for the fiscal servicing of Commissioner-held home mortgages including the execution of vouchers for all related expenditures from mortgagors' escrow accounts.

(g) To execute vouchers for payment of taxes, insurance and repairs on home properties where title is vested in the Commissioner and for payment of excess proceeds to effect final settlement with mortgagees on certificates of claim and to mortgagors under provisions of the National Housing Act.

(h) To act with the Assistant Commissioner-Comptroller and under his direction in the determination of basic home property and mortgage note servicing fiscal policies.

Part 200 is amended by adding a new § 200.82 as follows:

§ 200.82 Reports Officer and Deputy.

To the position of Reports Officer, and under his general supervision to the position of Deputy Reports Officer, there is delegated the following basic authority and functions:

(a) To direct the activities of the Financial Reports Branch.

(b) To devise and establish basic policies, practices, and procedures with respect to the preparation, analysis, and

interpretation of the financial statements and fiscal reports of the Administration.

(c) To maintain effective control over the management of the various FHA insurance funds and accounts and to provide adequate financial information pertaining thereto.

(d) To submit to the Treasury Department authorizations for purchase of U.S. Government securities, pursuant to agreements between mortgagors or other depositors and FHA, and sale and disposition of U.S. Government securities purchased for mortgagors or other depositors, received as a result of assignment of insured mortgages or as a result of other agreements; U.S. Government securities deposited in accordance with mortgagor corporate charters, regulatory or special agreements, for safekeeping; and requests for withdrawal of U.S. Government securities.

(e) To execute and certify vouchers in payment of U.S. Government securities invested for the various insurance funds and/or pursuant to agreements between mortgagors or other depositors and FHA.

(f) To execute and certify vouchers to provide funds in the account of the Treasurer of the United States for payment of principal and interest on FHA debentures.

(g) To execute and submit to the Treasury Department and/or to the Bureau of the Budget inter-governmental financial reports required by applicable statutes or regulations of the Treasury Department or Bureau of the Budget.

(h) To maintain liaison with the General Accounting Office, Treasury Department, Bureau of the Budget, and HHFA on matters pertaining to financial activities, and with the Federal National Mortgage Association concerning the acceptance of debentures in exchange for Commissioner-held mortgages.

(i) To act with the Assistant Commissioner-Comptroller and under his direction in the determination of basic financial management and reporting policy.

(Sec. 2, 48 Stat. 1246, as amended; sec. 211, 52 Stat. 23, as amended; sec. 607, 55 Stat. 61, as amended; sec. 712, 62 Stat. 1281, as amended; sec. 907, 65 Stat. 301, as amended; sec. 807, 69 Stat. 651, as amended; 12 U.S.C. 1703, 1715b, 1742, 1747k, 1748f, 1750f)

Issued at Washington, D.C., February 5, 1963.

PAUL E. FERRERO,
Acting Federal Housing Commissioner.

[F.R. Doc. 63-1459; Filed, Feb. 8, 1963; 8:49 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter II—Corps of Engineers, Department of the Army

PART 207—NAVIGATION REGULATIONS

Fox River, Wisconsin

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 207.460 governing the use, administration, and navigation of the locks and canals on the Fox River, Wisconsin, is hereby amended to accomplish desired changes and revisions effective 30 days after publication in the FEDERAL REGISTER, as follows:

§ 207.460 Fox River, Wisconsin.

(a) *Use, administration, and navigation of the locks and canals.*

* * * * *

(2) *Authority of lockmaster.* The movement of all boats, vessels, tows, rafts and floating things, both powered and nonpowered, in the canals and locks, approaches to the canals, and at or near the dams, shall be subject to the direction of the Project Engineer, Corps of Engineers, Fox River Area, Appleton, Wisconsin, or his duly authorized representatives in charge at the various locks.

* * * * *

(4) *Provisions for lockage service.* (i) Commercial vessels, barges, rafts and tows engaged in commerce will be provided lockages during the same period as provided for pleasure boats (see subdivision (iv) of this subparagraph).

(ii) Pleasure boats, powered and nonpowered, houseboats and similar craft will be provided with not more than one lockage each way through the same lock in a 24-hour period.

(iii) All small vessels or craft, such as skiffs, sculls, sailing boats, etc., shall be passed through locks in groups of not less than six at one lockage, or may be granted separate lockage if the traffic load at the time permits.

(iv) All craft will be given lockage at DePere and Menasha Locks between 8:00 a.m. and 12 midnight daily during the recreational boating season as established by the District Engineer. At all intermediate locks above DePere and below Menasha, lockages without prior notice will be provided between the hours of 10:00 a.m. and 7:00 p.m. daily. In addition, lockages will be provided during certain other hours at the intermediate locks provided prior requests are made to the Corps of Engineers, Appleton Project Office.

NORMAL AND ADDITIONAL LOCKAGE TIMES

Lock location	Normal lockage times without prior request	Additional lockage with prior request (Note 1)	Notes
Menasha	8:00 a.m. to 12 midnight	None	None.
Appleton	10:00 a.m. to 7:00 p.m.	8:00 a.m. to 10:00 a.m.	2.
		7:00 p.m. to 12 midnight	3 and 4.
Cedars	10:00 a.m. to 7:00 p.m.	7:00 p.m. to 12 midnight	Do.
Little Chute	do	do	Do
Combined	do	do	Do.
Kaukauna	do	do	2, 3, and 4.
Rapid Crouche	do	8:00 a.m. to 10:00 a.m.	
		7:00 p.m. to 12 midnight	Do.
Little Kaukauna	do	8:00 a.m. to 10:00 a.m.	
		7:00 p.m. to 12 midnight	3, 4 and 5.
		7:00 p.m. to 11:00 p.m.	
DePere	8:00 a.m. to 12 midnight	None	None.

NOTE 1. a. Requests may be made either in writing, by telephone or in person to the U.S. Army, Corps of Engineers, Appleton Project Office, 905 South Oneida Street, Appleton, Wisconsin.

b. Regular business hours of the Appleton Project Office are from 8:15 a.m. to 4:45 p.m., Monday through Friday.

c. During the period from the Saturday before the 4th of July to Sunday after Labor Day, the Appleton Project Office will be operational between 11:00 a.m. and 1:00 p.m., on Saturdays, Sundays and holidays to receive requests for additional lockages.

d. Requests will include name, address, business and home telephone numbers as well as name and registration number of the boat and the approximate time of lockage requirements at each of the locks involved.

e. Only one request need be given for groups of boats.

f. If, for any reason, a requested lockage will not be made or must be delayed unreasonably, prompt advice must be given to the Appleton Project Office, or, if after office hours (see "b" and "c" above), to the lockmaster at either Menasha or DePere Locks.

NOTE 2. For lockages between 8:00 a.m. and 10:00 a.m. at the Appleton, Rapid Crouche and Little Kaukauna Locks:

a. Requests for lockages during these hours must be received in the Appleton Project Office no later than 1:00 p.m. on the day before lockage is required.

b. Requests for lockages on Sundays and Mondays must be received no later than 1:00 p.m. on preceding Fridays except as noted in "c" below.

c. During period covered by Note 1c above, requests will be received no later than 1:00 p.m. on the day before lockage is required.

NOTE 3. For lockages between 7:00 p.m. and 12:00 midnight—at all intermediate locks:

a. Requests for lockages during this period must be received in the Appleton Project Office no later than 1:00 p.m. on the day lockage is required.

b. Requests for lockages on Saturdays and Sundays must be received no later than 1:00 p.m. on preceding Fridays except as noted in "c" below.

c. During the period covered by Note 1c above, requests will be received no later than 1:00 p.m. on the day lockage is required.

NOTE 4. In order for a boat to complete a trip delayed by breakdown or weather, lockage service at any of the intermediate locks will be made available after 7:00 p.m. without the prior request described in Note 3 above, provided notice or requirement is given any lockmaster prior to 7:00 p.m.

NOTE 5. In order for a boat to complete a trip, northbound lockage service at the Little Kaukauna Locks will be made available between 7:00 p.m. to 11:00 p.m., without the prior request described in Note 3 above, provided notice of requirement is given to the lockmaster at this lock prior to 7:00 p.m.

* * * * *

(6) *Delays in canals.* No boat, barge, raft or other floating craft shall tie up or in any way obstruct the canals or approaches, or delay entering or leaving the locks, except by permission from proper authority. Boats wishing to tie up for some hours or days in the canals must notify the Project Engineer directly or through a lock tender, and

proper orders on the case will be given. Boats so using the canals must be securely moored in the places assigned, and if not removed promptly on due notice, will be removed, as directed by the Project Engineer at the owner's expense. Boats desiring to tie up in the canals for the purpose of unloading cargoes over the canal banks must, in each case, obtain permission in advance from the District Engineer. Request for such permission shall be submitted through the Project Engineer.

* * * * *

(9) *Draft of boats.* No boat shall enter a canal or lock whose actual draft exceeds the least depth of water in the channel of the canal as given by the Project Engineer.

* * * * *

(15) *Commercial statistics.* (i) * * *

(ii) The report shall be mailed promptly to the Great Lakes Regional Statistical Office, 536 South Clark Street, Chicago 5, Illinois, on forms furnished free of charge by that office. On written request, persons or corporations making frequent use of the waterway may be granted permission to submit monthly statements in lieu of reports by trips.

* * * * *

[Regs., January 29, 1963, 285/111—ENGCW-ON] (Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

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

[F.R. Doc. 63-1435; Filed, Feb. 8, 1963; 8:45 a.m.]

PART 207—NAVIGATION REGULATIONS

Great Lakes

Pursuant to the provisions of section 7 of the River and Harbor Act of August 8, 1917 (40 Stat. 266; 33 U.S.C. 1), § 207.510 governing the use, administration and navigation of the connecting waters of the Great Lakes from Lake Huron to Lake Erie is hereby amended to accomplish desired changes, effective 30 days after publication in the FEDERAL REGISTER, as follows:

§ 207.510 Connecting waters of the Great Lakes from Lake Huron to Lake Erie; use, administration and navigation.

(a) *General*—(1) *Application and supervision.* The regulations in this section shall apply to such of those waters as are within the United States. These waters are under the general supervision of the District Engineer, U.S. Army Engineer District, Detroit, Michigan, hereafter designated "The District Engineer".

(2) *Local arrangements.* The District Engineer may make local arrangements with authorized Canadian officials in the interest of safety of operations, to facilitate movement of traffic, to avoid disputes as to jurisdiction and to take necessary action and render assistance in emergencies.

(3) *Patrol vessels.* The anchorage and movement of all vessels shall be under the direction and subject to the orders of officers in charge of patrol vessels. The following sound signals shall be used by patrol vessels as required:

(i) Three long blasts of a whistle or horn, which signal may also be used by dredges, drill scows, derrick scows, sweep scows, and other floating plant engaged in the maintenance and improvement or investigation of channels, to indicate that the vessel to which it is given is moving at too high a rate of speed; such vessel shall immediately slacken its speed.

(ii) Four long blasts of a whistle or horn, to indicate that the vessel to which the signal is given must stop until further orders are received from the patrol vessel.

(iii) One long blast, followed by four short blasts, of a whistle or horn, to indicate that the vessel to which the signal is given may proceed on its course. (Radio telephone may be used in lieu of sound signals.)

(4) *Other obligations.* The regulations in this section shall not be considered to cover all the obligations imposed by law upon vessels and their operators, and shall not be construed as relieving the owners or operators of vessels from any penalties which may be incurred in the violation of the laws relating to navigation on the Great Lakes and their connecting waters or the regulations issued pursuant to such laws.

(5) *Definitions.* As used in this section, the terms:

(i) "St. Clair River" shall apply to the connecting waters of the Great Lakes from the Lakeward limits of the improved navigation channels at the foot of Lake Huron to the St. Clair Flats Canal Light 2 at the upper end of Lake St. Clair.

(ii) "Lake St. Clair" shall apply to the channels lying westerly from the International Boundary from the St. Clair Flats Canal Light 2 to Windmill Point Light at the head of the Detroit River.

(iii) "Upper Detroit River" shall apply to that portion of the Detroit River extending from Windmill Point Light to Fighting Island North Light.

(iv) "Lower Detroit River" shall apply to that portion of the river between Fighting Island North Light and the lakeward limits of the improved navigational channels at the head of Lake Erie.

(v) "Patrol Vessel" means a vessel operated by the United States Coast Guard, the Canadian Coast Guard, the Royal Canadian Mounted Police or a harbor master.

(b) *Length of towlines.* On the connecting waters of the Great Lakes between the Lake Huron Lightship and the southerly limits of the improved channels of the Detroit River, terminating in Lake Erie, the length of towlines shall not exceed by more than 50 feet the length of the scow, barge, vessel, or other craft being towed: *Provided,* That no scow, barge, vessel or other craft shall be required to have a towline less than 250 feet. The length of the towline shall be measured from the stern of one vessel to the bow of the following vessel.

(c) *Routes*—(1) *St. Clair River in vicinity of Port Huron and Sarnia.* Vessels in transit shall pass to right of the black and white vertical striped buoy, situated just above the mouth of the Black River and known as Port Huron Traffic Lighted Buoy. Downbound vessels shall navigate the west or American Channel below Sarnia Elevator Light. Upbound vessels shall navigate the Canadian Channel east of the Port Huron Traffic Lighted Buoy.

NOTE: Channels east of Stagg Island, east of the St. Clair Middle Ground and the South East Bend Channel below the St. Clair Cut-Off are no longer maintained.

(2) *Lower Detroit River south of Livingstone Channel Upper Entrance Light.* Downbound vessels shall navigate the Livingstone Channel (west of Bois Blanc Island) except that downbound passenger vessels may use the Amherstburg Channel (east of Bois Blanc Island) and except as hereinafter provided. All downbound vessels shall enter Lake Erie through the East Outer Channel east of Detroit River Light except those whose draft permits may enter Lake Erie through the West Outer Channel west of Detroit River Light. Upbound vessels shall enter from Lake Erie by way of the East Outer Channel east of Detroit River Light and shall use the Amherstburg Channel, except that under certain conditions during the winter navigation season two-way traffic will be allowed in Livingstone Channel and in the West Outer Channel west of Detroit River Light. The conditions for use of these downbound channels, including the opening and closing dates for two-way traffic, will be established each year by the District Engineer.

(3) *Vessels exempted.* The regulations in this paragraph do not apply to public vessels of the United States, craft employed upon river and harbor improvement work, and vessels under 100 gross tons or vessels making local stops along these routes.

(d) *Speed.* (1) In the St. Clair River between the blue Water Bridge and Stagg Island Upper Lighted Junction Buoy, vessels shall not exceed nine statute miles per hour over the bottom.

(2) In the St. Clair River, the speed of vessels of 500 gross tons or over shall not exceed 12 statute miles per hour over the bottom within the following limits:

(i) Between Stagg Island Upper Lighted Buoy and Courtright Light.

(ii) Between Woodtick Island Upper End Buoy and St. Clair Flats Canal Light 2.

(3) In the Lower Detroit River, the speed of vessels of 500 gross tons or over shall not exceed twelve (12) statute miles per hour over the bottom between Livingstone Channel Upper Entrance Light and Bar Point Pier Light 29D.

(4) In the St. Clair River when the stage of Lake Huron exceeds two (2) feet above International Great Lakes Datum, the District Engineer may, if he deems it necessary to protect life and property, including floating plant or shore installations, reduce the allowable maximum speed in all or any part of the river. Temporary speed limits so prescribed shall become effective through publication in a Notice to Mariners and may be modified or likewise rescinded by

the District Engineer as changing water stages permit or make necessary.

(e) *Passing.* (1) In the St. Clair River and the Lower Detroit River, any vessel overtaking a tug with a tow moving in the same direction may pass such tow after an exchange of signals indicating on which side the vessel desires to pass, and the pilot of the tug shall haul with the tow to the proper side of the channel to provide passing room.

(2) In the St. Clair River, no vessel of 500 gross tons or over shall pass or attempt to pass another vessel of 500 gross tons or over moving in the same direction within the following limits: (i) *Downbound.* From the first buoy above Fort Gratiot Light to Port Huron Traffic Lighted Buoy; and from Walpole Island Upper Light to the St. Clair Flats Canal Light 2.

(ii) *Upbound.* From the St. Clair Flats Canal Light 2 to Walpole Island Upper Light; and from Port Huron Traffic Lighted Buoy to the first buoy above Fort Gratiot Light.

(3) In the Lower Detroit River between Fighting Island South Light and Bar Point Pier Light 29D, no vessel shall pass or attempt to pass another vessel or vessels moving in either the same or opposite direction when more than two vessels would be abreast.

(4) There shall be a time interval of not less than five (5) minutes between any two vessels entering or navigating the Livingstone Channel between the Upper Entrance Light and Bar Point Pier Light 29D except that tugs without tows and vessels under 100 gross tons are exempted from this rule. This requirement shall not apply under emergency conditions such as might exist when the vessel ahead is proceeding below the speed limits due to engine breakdown or other difficulties, provided the vessel ahead assents to the passing, the overtaking vessel remains within the speed limits, and the passing may be safely undertaken.

(f) *Obstruction of traffic.* (1) No person shall willfully or carelessly obstruct the free navigation of any of the waterways to which the regulations in this section apply, or delay any vessel having the right to use the waterway.

(2) No vessel shall anchor within the limits of any of the improved channels nor west of the International Boundary Line in the area of the Detroit River between the upstream limits of the Windsor Harbor Anchorage Area north of Fighting Island and the aerial cable across the Detroit River at Fort Wayne except in distress or under stress of weather. Any vessel forced to anchor in this forbidden area shall leave the area as soon as possible.

(3) No vessel of 500 gross tons or over shall anchor in the Detroit River between Belle Isle and Fighting Island so as to have any part of the vessel extended riverward more than 300 feet from shore nor in such position as will interfere with easy movement to and from any dock except in distress or under stress of weather. Vessels unable to comply with this subparagraph and subparagraph (2) of this paragraph shall request anchorage instructions from the U.S. Coast Guard, Belle Isle Lifeboat Station or the Windsor Harbor Master.

(4) Motorboats (as defined by the Motorboat Act of April 25, 1940), sailboats, rowboats, and other small crafts shall not anchor or drift in the regular ship channels except under stress of weather or in case of breakdown. Such craft shall be so operated that they shall not interfere with the safe passage of a vessel which can navigate only inside such channels.

(5) Whenever vessels collect in any of the channels by reasons of fog, smoke, ice, or other obstruction, their anchorage and movement shall be under the direction and control of an officer of the United States Coast Guard or patrol vessel, except as provided in subparagraph (6) of this paragraph. Regular scheduled vessels carrying passengers or mail may be advanced in order, and any vessel not ready to move when directed to do so may lose its position. The masters of all vessels shall comply promptly with the orders of the patrol vessels.

(6) When, as determined by the District Engineer or by an officer of the United States Coast Guard, there is a stoppage of, interference with or danger to navigation by reasons of the sinking or grounding or unnecessary delay in any channel of any vessel, boat, water craft or raft or other obstruction, they or either of them may stop all vessels and direct their anchorage, clear the channel, designate the order in which all vessels shall proceed after the channel is open, and shall do all things deemed necessary to safeguard and expedite the passage of vessels.

(g) *Vessels aground or not under command.* (1) A vessel over sixty-five feet in length aground or disabled in or near the channel, in addition to displaying the lights or day signals required by Rule 30, Pilot Rules for the Great Lakes, upon the approach of another vessel bound up or down the channel, shall sound the danger signal of several short and rapid blasts of the whistle, not less than five. If the approaching vessel cannot pass with safety, it shall stop at a safe distance from, and make proper dispositions to avoid fouling the grounded or disabled vessel, and upon the approach of another vessel coming up astern shall repeat the danger signal. Each additional vessel approaching from the same direction shall be similarly warned, in turn, by the vessel preceding. Each vessel shall keep a safe distance from the vessel ahead until the channel has been cleared, and shall pass a grounded or disabled vessel at reduced speed and with caution.

(2) Any vessel passing a stranded or disabled vessel shall report the location and nature of the casualty to the U.S. Coast Guard.

[Regs., January 22, 1963, 285/111—ENGCW-ON] (Sec. 7, 40 Stat. 266; 33 U.S.C. 1)

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

[F.R. Doc. 63-1436; Filed, Feb. 8, 1963; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS

Chapter 9—Atomic Energy Commission

PART 9-16—PROCUREMENT FORMS

PART 9-54—CONTRACT REPORTING

1. Part 9-16—Procurement Forms is hereby added.

Sec.
9-16.951-3 Illustrations of forms.
9-16.951-4 Illustrations for preparation of Form AEC-330.

AUTHORITY: §§ 9-16.951-3 and 9-16.951-4 issued under sec. 161, Stat. 948; 42 U.S.C. 2201; sec. 205, 63 Stat. 390; 40 U.S.C. 486.

§ 9-16.951-3 Illustrations of forms.

Instructions for Preparation of Form AEC-328

The following information shall be reported for each procurement action. If data reported are classified, the form will be handled in accordance with security regulations.

Item *Information to be reported*

A. The name and address (city and state) (street address not required) of the contractor, subcontractor or vendor with whom the order is placed. (If an award is made to a subsidiary, also show name of parent firm.)

B. For reports on actions by AEC procurement offices or prime contractors furnish (1) AEC office (name), (2) AEC procurement office, and (3) month and year in which action is reported.

C. Depending on the nature of the procurement, the work location should be (1) the location (city-state) at which work will be performed or services rendered, (2) the location (city-state) of the factory which will manufacture, fabricate and ship a product, or (3) the location (city-state) from which shipment from stock will be made. If more than one location is involved, show that location involving the larger dollar value of work.

D. For reports on actions by AEC procurement offices leave this space blank. For reports on actions by prime cost-type contractors, give subcontract or purchase order number. If action reported is a modification, also give the modification number. For reports on actions by subcontractors, the sub-subcontract or purchase order number shall be noted in Item P.

E. For reports on actions by AEC procurement offices, give the "AT" number assigned, or the purchase order number assigned, or the number assigned by the Manhattan Engineer District if not superseded. If action reported is a modification, also show the modification number. For reports on actions by prime contractors or subcontractors, show prime contract number.

F. Indicate by appropriate number in the space provided the type of action being reported. Preliminary contractual documents of any form are to be classified as "Letter contracts." (F-1) Actions are to be classified as "Definitive contracts" (F-3) only when a Definitive contract has been executed. The term "modification" includes amendments, supplements, changes, and terminations. Modifications to a letter contract should be identified as "L-4."

G. Show the total amount (committed in the case of subcontracts) under the contract (or subcontract) including the amount of the action now being reported. The amount reported under cost-type contracts should be based on funds committed under the contracts.