closed by AEC personnel without Commission authorization except in accordance with this section.

(b) The person from whom the document is sought shall promptly notify the General Manager or the Director of Regulation, and the General Counsel. Upon a finding that disclosure is not contrary to the public interest, the General Manager or Director of Regulation may authorize the production or disclosure of the document pursuant to a subpoena, or to personnel of a Government agency or of any State or political subdivision thereof as required for the performance of their official duties. Authority of the General Manager and of the Director of Regulation to authorize production or disclosure shall extend only to documents filed with divisions and offices which report to them respectively pursuant to the provisions of Part 1 of this chapter.

(c) An officer or employee of the AEC who is required by a subpoena to produce or disclose a document of a kind specified in § 9.4 shall appear in response thereto and shall respectfully decline to produce or disclose the document described, basing refusal on this section, unless production or disclosure has been authorized pursuant to this § 9.7.

(Sec. 161, 68 Stat. 948; 42 U.S.C. 2201)

Dated at Washington, D.C., this 15th day of May 1963.

For the Atomic Energy Commission.

WOODFORD B. MCCOOL,
Secretary.

[F.R. Doc. 63-5487; Filed, May 22, 1963; 8:51 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 62-SO-45]

PART 73—SPECIAL USE AIRSPACE [NEW]

Alteration of Restricted Area

In a notice of proposed rule making published in the FEDERAL REGISTER on April 12, 1963 (28 F.R. 3589), the Federal Aviation Agency stated it proposed to amend § 73.44 of the Federal Aviation Regulations to alter the designated altitudes and the time of designation and to extend the east boundary of the Camp Shelby, Miss., Restricted Area R-4401.

The Air Transport Association commented on this proposal indicating no objection. No other comments were received on this proposal.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted.

The substance of the proposed amendment has been published; therefore, for the reasons stated in the notice, the following action is taken:

In § 73.44 (28 F.R. 19-28, January 26, 1963), R-4401, Camp Shelby, Miss., Restricted Area is amended to read:

R-4401 Camp Shelby, Miss.

Boundaries. Beginning at latitude 31°-12'54" N., longitude 89°11'03" W.; to latitude 31°11'48" N., longitude 89°00'00" W.; to latitude 31°10'15" N., longitude 88°56'34" W.; to latitude 31°09'10" N., longitude 88°56'34" W.; thence southwest along Mississippi State Highway No. 15 to latitude 31°04'36" N., longitude 88°59'24" W.; to latitude 31°04'36" N., longitude 89°11'03" W.; to point of beginning.

Designated altitudes and time of designation. Surface to 23,000 feet MSL, 0600 to 2400 c.s.t. daily, June 1 through August 31; surface to 14,000 feet MSL, 0600 to 2400 c.s.t. Saturdays and Sundays, from March 1 through May 31; surface to 3,500 feet MSL, sunrise to sunset, for use by the United States Air Force as published in NOTAMs by the using agency at least 48 hours in advance of activation, such activation not to exceed three weeks in any quarter year.

Using agency. Adjutant General, State of Mississippi, Jackson, Mississippi.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

This amount shall become effective 30 days after the date of publication in the FEDERAL REGISTER.

Issued in Washington, D.C., on May 21, 1963.

D. D. THOMAS,
Director, Air Traffic Service.

[F.R. Doc. 63-5539; Filed, May 22, 1963; 8:54 a.m.]

Chapter III—Federal Aviation Agency

SUBCHAPTER C—AIRCRAFT REGULATIONS

[Reg. Docket No. 1754; Amdt. 568]

PART 507—AIRWORTHINESS DIRECTIVES

Boeing Models 707 and 720 Aircraft

Amendment 469, 27 F.R. 7489 as amended by FAA telegram dated August 1, 1962, and as amended by Amendment 507, 27 F.R. 11219 requires an inspection of the landing gear truck beam after every jacking operation and snubber failure. The manufacturer has developed a modification which provides an equivalent means of compliance. Accordingly, Amendment 469 as amended is being superseded by a new directive which includes provisions for the installation of the modification.

Since this amendment provides for an alternative means of compliance and imposes no additional burden on any persons, notice and public procedure hereon are unnecessary and the amendment may be made effective upon publication in the FEDERAL REGISTER.

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

BOEING. Applies to all Models 707 and 720 aircraft.

Compliance required within the next 100 hours' time in service after the effective date of this AD and thereafter at intervals not exceeding 100 hours' time in service and as indicated in paragraphs (d) and (e).

As a result of failures of the landing gear truck beam and related components, accomplish the following:

(a) Clean the truck beams in accordance with the following:

(1) Prerinse the area using Stoddard Solvent P-S-661 type 1 or water.

(2) Using a soft bristle or fiber brush, apply one of the following cleansing agents, or equivalent approved by FAA Engineering and Manufacturing Branch, Western Region to the soiled areas:

(i) Oakite 204, full strength;

(ii) Oakite 74L, one part with five parts water;

(iii) Wyandotte Aerowash A, full strength;

(iv) Kelite Formula 29, full strength; and,

(v) An emulsion cleaner listed in Chapter 13 of Boeing Overhaul Manual.

(3) Allow cleansing agent to remain on the parts for 5 minutes. Do not permit the area to dry. Agitate the cleaner applied to beam and allow to remain on the parts an additional 5 minutes. Agitate again with the brush and thoroughly pressure rinse with water, preferably warm, but not exceeding 120° F. In lieu of, or as a supplement to the pressure rinse with water, the cleaners may be removed by use of solvents listed in Chapter 13 of Boeing Overhaul Manual.

(b) After cleaning, make a thorough visual inspection of the truck beam using mirrors as necessary and a strong light to detect any evidence of jack marks, scratches, gouges, corrosion or impact dents. Remove any straps around the beam which show evidence of damage. Particular attention shall be given to:

(1) The lower section of the beam for evidence of jack marks caused by jack slippage or improperly placed jacks;

(2) The forward area of the beam where contact is possible with the torsion link pivot pin retaining bolt (on the lower torque link lug on the Model 720); and,

(3) To the aft area of the beam where contact is possible with the shock strut inner cylinder upon snubber failure.

(c) Truck beams exhibiting evidence of corrosion, scratches, jack marks, dents or gouges shall be replaced before further flight unless repaired in according with FAA approved Boeing Service Bulletin No. 142(R-2) or later FAA approved revisions. Evidence of jack marks or dents shall be inspected with a dial indicator or FAA approved equivalent to determine the depth of such damage. No repair is permitted if the depth exceeds 0.005 inch.

(d) Before further flight after any jacking operations and after main landing gear snubber failure, clean and inspect the truck beam as follows:

(1) Clean truck beam with one of the approved Boeing solvents for cleaning of high heat-treated steel listed in Chapter 13 of the Boeing Overhaul Manual.

(2) Inspect and, as necessary, rework or replace the truck beam in accordance with paragraphs (b) and (c).

(3) If a truck beam shield is fabricated and installed in accordance with American Airlines Engineering Change Order No. B1743, dated October 8, 1962, or FAA Western Region Engineering approved equivalent is installed, the following inspection procedure for the truck beam area protected by the shield may be followed in lieu of that required by (d) (1) and (2):

(i) Clean the truck beam shield with Navee 427 or FAA approved equivalent, and inspect it for evidence of dents, gouges, cracks, pressure marks, or other damage.

(ii) If no evidence of dents, gouges, cracks, pressure marks or other damage is found, further inspection of the truck beam area protected by the shield is not required at this inspection period.

(iii) If evidence of dents, gouges, cracks, pressure marks, or other damage is found, remove the shield and clean and inspect the truck beam in accordance with (d) (1) and (2). If the shield is still serviceable, it may be reinstalled provided that any dents, gouges, cracks, pressure marks, or other dam-

age is painted over with yellow paint to indicate old damage.

NOTE: When a shield is installed on the truck beam in compliance with paragraph (d)(3) compliance with the remaining provisions of the AD is still required.

(4) If a Boeing truck beam shield is fabricated and installed in accordance with Boeing Service Bulletin No. 1780 or FAA Western Region Engineering approved equivalent, the following inspection procedure for the truck beam area protected by the shield may be followed in lieu of that required by (d)(1) and (2):

(NOTE: The British Overseas Airways Corporation truck beam shield manufactured and installed in accordance with BOAC Drawing No. BOA-B61138 is an approved equivalent to the Boeing truck beam shield.)

(i) Clean and inspect the truck beam shield for any evidence of impact damage such as dents.

(ii) If no evidence of impact damage is found, further inspection of the truck beam area protected by the shield is not required at this inspection period.

(iii) If the shield is distorted to the extent that contact with the beam is obvious or suspected, remove the shield and clean and inspect the truck beam in accordance with (d)(1) and (2). If the shield is still serviceable, it may be reinstalled provided that any impact damage is painted over with yellow paint to indicate old damage.

(iv) At intervals not to exceed 500 hours' time in service after original installation of the shield, visually inspect the truck beam for evidence of foreign matter between the truck beam and the shield, or corrosion on the truck beam. If foreign matter is present, clean the truck beam and shield as necessary. If corrosion is present, remove the corrosion in accordance with Boeing FAA approved Service Bulletin No. 142(R-2) or later FAA approved revisions.

(v) At intervals not to exceed 5,550 hours' time in service after original installation of the shield, remove the shield and inspect for corrosion. Remove any corrosion present in accordance with Boeing FAA approved Service Bulletin No. 142(R-2) or later FAA approved revisions.

(e) The 100-hour repetitive inspection interval may be increased to 500 hours' time in service when the automatic brake cylinder and the piston in the main landing gear metering valve are replaced with new Boeing actuator assembly 69-10763, and the landing gear snubber assembly and main landing gear centering cylinders have been reworked in accordance with Boeing Service Bulletins Nos. 535 and 535B. Concurrently with the increase to 500-hour repetitive inspection interval, the cleaning procedures of paragraph (d) may be used in lieu of those of paragraph (a).

NOTE: Some aircraft have been modified prior to delivery to incorporate the work required by Boeing Service Bulletins Nos. 535 and 535B.

(f) The main landing gear shall not be jacked and/or supported at points other than the forward and aft truck beam jack pads, unless the aircraft is otherwise supported in accordance with section 32 of the Boeing Maintenance Manual.

(g) Upon request of the operator, an FAA maintenance inspector, subject to prior approval of the Chief, Engineering and Manufacturing Branch, FAA Western Region, may adjust the repetitive inspection intervals specified in this airworthiness directive to permit compliance at an established inspection period of the operator if the request contains substantiating data to justify the increase for such operator.

(Boeing Service Bulletin No. 142(R-2) covers this same subject.)

This supersedes Amendment 469, 27 F.R. 7489 (AD 62-17-2) as amended by FAA telegram dated August 1, 1962, and by Amendment 507, 27 F.R. 11219.

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

This amendment shall become effective May 23, 1963.

Issued in Washington, D.C., on May 16, 1963.

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

[F.R. Doc. 63-5455; Filed, May 22, 1963; 8:45 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs

[T.D. 55895]

PART 1—CUSTOMS DISTRICTS, PORTS, AND STATIONS

Transfer of Clark County, Nevada, to Los Angeles District

MAY 16, 1963.

A review of geographical factors in the southern California-southern Nevada area indicates that Clark County, Nevada, which is now part of the San Francisco District (Customs Collection District No. 28), can be provided better and more efficient customs service if it is transferred to, and made a part of, the Los Angeles District (Customs Collection District No. 27).

Notice of proposed action to effect this transfer was published in the FEDERAL REGISTER on March 20, 1963 (28 F.R. 2736), pursuant to the provisions of section 4 of the Administrative Procedure Act (5 U.S.C. 1002). No objections were received.

Accordingly, by virtue of the authority vested in the President by section 1 of the Act of August 1, 1914, 38 Stat. 623 (19 U.S.C. 2), which was delegated to the Secretary of the Treasury by the President by Executive Order No. 10289, September 17, 1951 (3 CFR Ch. II), and pursuant to authorization given to me by Treasury Department Order No. 190, Rev. 1 (26 F.R. 11877), Clark County, Nevada, shall become a part of the Los Angeles District (Customs Collection District No. 27) effective 30 days after the date of publication of this Treasury decision in the FEDERAL REGISTER. To reflect this change, § 1.1(c) of the Customs regulations is amended by:

1. Changing the period after the word "Imperial" in the column headed "Area of district," District No. 27 (Los Angeles), to a comma and adding "and that part of the State of Nevada comprising Clark County."

2. Deleting the period at end of the parenthetical citations in the column headed "Name of district," District No. 27 (Los Angeles), and adding "(T.D. 55895)."

3. Substituting "State of Utah and the State of Nevada, except Clark County" for "States of Utah and Nevada" in the column headed "Area of district," District No. 28 (San Francisco).

4. Deleting the period at the end of the parenthetical citations in the column headed "Name of district," District No. 28 (San Francisco), and adding "(T.D. 55895)."

(R.S. 161, as amended, sec. 1, 37 Stat. 434, sec. 1, 38 Stat. 623, as amended, R.S. 251, sec. 624, 46 Stat. 759; 5 U.S.C. 22, 19 U.S.C. 1, 2, 66, 1624)

[SEAL] JAMES A. REED,
Assistant Secretary of the Treasury.

[F.R. Doc. 63-5507; Filed, May 22, 1963; 8:53 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6653]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Income From Discharge of Indebtedness

On December 28, 1962, notice of proposed rule making with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under section 61(a)(12) of the Internal Revenue Code of 1954 to conform the regulations to the decision in Bayshore Gardens, Inc. v. Commissioner (C.A. 2d 1959) 267 F. 2d 55, was published in the FEDERAL REGISTER (27 F.R. 12837). After consideration of all the relevant matter presented by interested persons regarding the rules proposed, the amendment of the regulations as proposed is hereby adopted.

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] BERTRAND M. HARDING,
Acting Commissioner of Internal Revenue.

Approved: May 20, 1963.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

In order to conform the Income Tax Regulations (26 CFR Part 1) relating to the amortization of discount or premium arising from the issuance by a corporation of its bonds to the decision in Bayshore Gardens, Inc. v. Commissioner (C.A. 2d 1959) 267 F. 2d 55, paragraph (c) of § 1.61-12 is amended by adding immediately after subparagraph (4) a new subparagraph (5) as follows:

§ 1.61-12 Income from discharge of indebtedness.

* * * * *

(c) *Sale and purchase by corporation of its bonds.* * * *

(5) For purposes of this paragraph, a debenture, note, or certificate or other evidence of indebtedness, issued by a corporation and bearing interest shall be given the same treatment as a bond.

[F.R. Doc. 63-5510; Filed, May 22, 1963; 8:53 a.m.]

Title 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of the Treasury

SUBCHAPTER G—REGATTAS AND MARINE PARADES

[CGFR 63-22]

PART 100—SAFETY OF LIFE ON NAVIGABLE WATERS

Pursuant to the notices of proposed rule making published in the FEDERAL REGISTER on February 2, 1963 (28 F.R. 1052-1058), and February 16, 1963 (28 F.R. 1510, 1511), and the Merchant Marine Council Public Hearing Agenda dated March 25, 1963 (CG-249), the Merchant Marine Council held a public hearing on March 25, 1963, for the purpose of receiving comments, views and data.

The proposals considered were identified as Items I through XI. Item X contains proposals regarding Rules of the Road. This Item included proposals regarding "Regattas and Marine Parades" which are adopted with minor changes. A number of comments objected to the proposals permitting States to continue to regulate certain regattas. Several States are now performing this work in accordance with existing requirements. This practice will be continued.

The title for Subchapter G is changed from "Marine Regattas or Marine Parades" to "Regattas or Marine Parades." The heading for Part 100 is changed from "Safety of Life on Navigable Waters During Marine Regattas or Marine Parades" to "Safety of Life on Navigable Waters." These heading changes reflect the purpose and intent of regulations and remove words no longer considered necessary.

The provisions of 46 CFR 100.10, regarding Coast Guard-State agreements, were revised on the basis of comments received. The requirement in 46 CFR 100.15(c) that the application shall be submitted not less than 60 days prior to the start of the regatta or marine parade was modified to 30 days as suggested in one of the comments. Minor changes were also made in 46 CFR 100.20, 100.25 and 100.30. This document is the third in a series containing the regulations considered at the March 25, 1963, Public Hearing.

By virtue of the authority vested in me as Commandant, United States Coast Guard, by Treasury Department Order 120 dated July 31, 1950 (15 F.R. 6521), as well as the statute cited with the regulations below, the text of Part 100 is revised in its entirety to read as follows and this revision shall become effective 30 days after the date of publication of this document in the FEDERAL REGISTER:

Sec.

AUTHORITY: §§ 100.01 to 100.50 issued under sec. 1, 35 Stat. 69, as amended; 46 U.S.C. 454. Treasury Department Order 120, July 31, 1950, 15 F.R. 6521.

§ 100.01 Purpose and intent.

(a) The purpose of the regulations in this part is to provide effective control over regattas and marine parades conducted on the navigable waters of the United States so as to insure safety of life in the regatta or marine parade area.

§ 100.05 Definition of terms used in this part.

(a) "Regatta" or "marine parade" means an organized water event of limited duration which is conducted according to a prearranged schedule.

(b) "Navigable waters of the United States" means those waters of the United States, including the territorial sea adjacent thereto, the general character of which is navigable, and which, either by themselves or by uniting with other waters, form a continuous waterway on which boats or vessels may navigate or travel between two or more States, or to or from foreign nations. (See Part 2 of this chapter for a description of navigable waters of the United States and determinations made concerning certain specific waters in various States.)

(c) "District Commander" means the Commander of the Coast Guard District in which the regatta or marine parade is intended to be held. (See Part 3 of this chapter for the geographical boundaries of Coast Guard Districts.)

(d) "State authority" means any official or agency of a State having power under the law of such State to regulate regattas or marine parades on waters over which such State has jurisdiction.

§ 100.10 Coast Guard-State agreements.

(a) The District Commander is authorized to enter into agreements with State authorities permitting regulation by the State of such classes of regatta or marine parade on the navigable waters of the United States as, in the opinion of the District Commander, the State is able to regulate in such a manner as to insure safety of life. All such agreements shall reserve to the District Commander the right to regulate any particular regatta or marine parade when he deems such action to be in the public interest.

§ 100.15 Submission of application.

(a) An individual or organization planning to hold a regatta or marine parade which, by its nature, circumstances or location, will introduce extra or unusual hazards to the safety of life on the navigable waters of the United States, shall submit an application to the Coast Guard District Commander having cognizance of the area where it is intended to hold such regatta or marine parade. Examples of conditions which are deemed to introduce extra or unusual hazards to the safety of life include but are not limited to: an inherently hazardous competition, the customary presence of commercial or pleasure craft in the area, any obstruction of navigable channels which may reasonably be expected to result, and the expected accumulation of spectator craft.

(b) Where such events are to be held regularly or repeatedly in a single area by an individual or organization, the Commandant or the District Commander may, subject to conditions set from time to time by him, grant a permit for such series of events for a fixed period of time, not to exceed one year.

(c) The application shall be submitted no less than 30 days prior to the start of the proposed event.

(d) The application shall include the following details:

(1) Name and address of sponsoring organization.

(2) Name, address, and telephone of person or persons in charge of the event.

(3) Nature and purpose of the event.

(4) Information as to general public interest.

(5) Estimated number and types of watercraft participating in the event.

(6) Estimated number and types of spectator watercraft.

(7) Number of boats being furnished by sponsoring organizations to patrol event.

(8) A time schedule and description of events.

(9) A section of a chart or scale drawing showing the boundaries of the event, various water courses or areas to be utilized by participants, officials, and spectator craft.

§ 100.20 Action on application for event assigned to State regulation by Coast Guard-State agreement.

(a) Upon receipt of an application for a regatta or marine parade of a type assigned to a State for regulation under a Coast Guard-State agreement, the District Commander will forward the application to the State authority having cognizance of the event. Further processing and decision upon such an application shall be conducted by the State.

§ 100.25 Action on application for event not assigned to State regulation by Coast Guard-State agreement.

(a) Where an event is one of a type not assigned to the State for regulation under a Coast Guard-State agreement (or where no such agreement has been entered), the Commander of a Coast Guard District who receives an application for a proposed regatta or marine parade to be held upon the navigable waters of the United States within his district shall take the following action:

(1) He shall determine whether the proposed regatta or marine parade may be held in the proposed location with safety of life. To assist in his determination, he may, if he deems it necessary, hold a public hearing to obtain the views of all persons interested in, or who will

be affected by, the regatta or marine parade.

(2) He will notify the individual or organization which submitted the application:

(i) That the application is approved, and the nature of the special local regulations, if any, which he will promulgate pursuant to § 100.35; or,

(ii) That the interest of safety of life on the navigable waters of the United States requires specific change or changes in the application before it can be approved; or,

(iii) That the event requires no regulation or patrol of the regatta or marine parade area; or,

(iv) That the application is not approved, with reasons for such disapproval.

§ 100.30 Approval required for holding event.

(a) An event for which application is required under § 100.15(a) shall be held only after approval of such event by the District Commander, except that applications referred to a State under § 100.10 shall be governed by the laws of that State.

§ 100.35 Special local regulations.

(a) The Commander of a Coast Guard District, after approving the plans for the holding of a regatta or marine parade within his district, is authorized to promulgate such special local regulations as he deems necessary to insure safety of life on the navigable waters immediately prior to, during, and immediately after the approved regatta or marine parade. Such regulations may include a restriction upon, or control of, the movement of vessels through a specified area immediately prior to, during, and immediately after the regatta or marine parade.

(b) After approving the plans for the holding of a regatta or marine parade upon the navigable waters within his district, and promulgating special regulations thereto, the Commander of a Coast Guard District shall give the public full and adequate notice of the dates of the regatta or marine parade, together with full and complete information of the special local regulations, if there be such. Such notice should be published in the local notices to mariners.

(c) The special local regulations referred to in paragraph (a) of this section, when issued and published by the Commander of a Coast Guard District, shall have the status of regulations issued pursuant to the provisions of section 1 of the act of April 28, 1908, as amended (46 U.S.C. 454).

§ 100.40 Patrol of the regatta or marine parade.

(a) The Commander of a Coast Guard District in which a regatta or marine parade is to be held may detail, if he deems the needs of safety require, one or more Coast Guard vessels to patrol the course of the regatta or marine parade for the purpose of enforcing not only the special local regulations but also for assistance work and the enforcement of laws generally.

(b) The Commander of a Coast Guard District may also utilize any private vessel or vessels to enforce the special local regulations governing a regatta or marine parade provided such vessel or vessels have been placed at the disposition of the Coast Guard pursuant to section 826 in Title 14, U.S. Code, for such purpose by any member of the Coast Guard Auxiliary, or any corporation, partnership, or association, or by any State or political subdivision thereof. Any private vessel so utilized shall have on board an officer or petty officer of the Coast Guard who shall be in charge of the vessel during the detail and responsible for the law enforcement activities or assistance work performed by the vessel during such detail. Any private vessel so utilized will display the Coast Guard ensign while engaged in this duty.

(c) The Commander of a Coast Guard District may also utilize any private vessel or vessels placed at the disposition of the Coast Guard pursuant to section 826 in Title 14, U.S. Code, by any member of the Coast Guard Auxiliary, or any corporation, partnership, or association, or by any State or political subdivision thereof to patrol the course of the regatta or marine parade for the purpose of promoting safety by performing assistance work and effecting rescues.

§ 100.45 Establishment of aids to navigation.

(a) The Commander of a Coast Guard District will establish and maintain only those aids to navigation as he deems necessary to assist in the observance and enforcement of the special local regulations issued by him. Such aids to navigation will be in accordance with § 62.01–35 of this chapter. All other aids to navigation incidental to the holding of a regatta or marine parade shall be considered as private aids to navigation coming within the purview of § 66.01 of this chapter.

§ 100.50 Penalties for violation of regulations.

(a) An individual or organization who violates any provision of these regulations, or any regulation or order issued pursuant to these regulations shall be subject to the following penalties as provided in section 457 in Title 46, U.S. Code:

(1) A licensed officer shall be liable to suspension or revocation of license in the manner now prescribed by law for incompetency or misconduct.

(2) Any person in charge of the navigation of a vessel other than a licensed officer shall be liable to a penalty of $500.

(3) The owner of a vessel (including any corporate officer of a corporation owning the vessel) actually on board shall be liable to a penalty of $500, unless the violation of regulations shall have occurred without his knowledge.

(4) Any other person shall be liable to a penalty of $250.

(b) The Commandant of the Coast Guard is authorized and empowered to mitigate or remit any penalty herein provided for in the manner prescribed by law for the mitigation or remission of penalties for violation of the navigation laws. (See 46 CFR 2.50–1 to 2.50–40, inclusive, for procedures regarding assessment, mitigation or remission of penalties.)

Dated: May 16, 1963.

[SEAL] D. McG. MORRISON,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[F.R. Doc. 63–5509; Filed, May 22, 1963; 8:53 a.m.]

Title 46—SHIPPING

Chapter II—Maritime Administration, Department of Commerce

SUBCHAPTER G—EMERGENCY OPERATIONS

[General Order 75, 2d Rev., Amdt. 2]

PART 308—WAR RISK INSURANCE

Miscellaneous Amendments

Effective as of midnight, June 7, 1963, G.m.t., Part 308 is hereby amended to reflect the following changes:

Amend § 308.6 *Period of interim binders and renewal procedure,* § 308.106 *Standard form of war risk hull insurance interim binder and optional disbursements insurance endorsement,* § 308.206 *Standard form of war risk protection and indemnity insurance interim binder,* and § 308.305 *Standard form of Second Seamen's war risk insurance interim binder,* by changing the expiration date contained therein to read "midnight, December 7, 1963, G.m.t."

(Sec. 204, 49 Stat. 1987, as amended; 46 U.S.C. 1114).

By order of the Maritime Administrator.

Dated: May 20, 1963.

JAMES S. DAWSON,
Secretary.

[F.R. Doc. 63–5537; Filed, May 22, 1963; 8:54 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Parts 20, 25]

ESTATE AND GIFT TAXES

Notice of Proposed Rule Making

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulation set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] MORTIMER M. CAPLIN,
Commissioner of Internal Revenue.

In order to conform the Estate Tax Regulations (26 CFR Part 20) and the Gift Tax Regulations (26 CFR Part 25) to the Self-Employed Individuals Tax Retirement Act of 1962 (76 Stat. 809) and to make a clarifying change in the Estate Tax Regulations relating to the deduction for certain State death taxes on charitable transfers, such regulations are amended as follows:

PARAGRAPH 1. Section 20.2039 is amended by revising section 2039(c) and the historical note to read as follows:

§ 20.2039 Statutory provisions; annuities.

SEC. 2039. *Annuities* * * *

(c) *Exemption of annuities under certain trusts and plans.* Notwithstanding the provisions of this section or of any provision of law, there shall be excluded from the gross estate the value of an annuity or other payment receivable by any beneficiary (other than the executor) under—

(1) An employees' trust (or under a contract purchased by an employees' trust) forming part of a pension, stock bonus, or profit-sharing plan which, at the time of the decedent's separation from employment (whether by death or otherwise), or at the time of termination of the plan if earlier, met the requirements of section 401(a);

(2) A retirement annuity contract purchased by an employer (and not by an employees' trust) pursuant to a plan which, at the time of decedent's separation from employment (by death or otherwise), or at the time of termination of the plan if earlier, was a plan described in section 403(a); or

(3) A retirement annuity contract purchased for an employee by an employer which is an organization referred to in section 503(b) (1), (2), or (3), and which is exempt from tax under section 501(a).

If such amounts payable after the death of the decedent under a plan described in paragraph (1) or (2) or under a contract described in paragraph (3) are attributable to any extent to payments or contributions made by the decedent, no exclusion shall be allowed for that part of the value of such amounts in the proportion that the total payments or contributions made by the decedent bears to the total payments or contributions made. For purposes of this subsection, contributions or payments made by the decedent's employer or former employer under a trust or plan described in paragraph (1) or (2) shall not be considered to be contributed by the decedent, and contributions or payments made by the decedent's employer or former employer toward the purchase of an annuity contract described in paragraph (3) shall, to the extent excludable from gross income under section 403(b), not be considered to be contributed by the decedent. This subsection shall apply to all decedents dying after December 31, 1953. For purposes of this subsection, contributions or payments on behalf of the decedent while he was an employee within the meaning of section 401(c)(1) made under a trust or plan described in paragraph (1) or (2) shall be considered to be contributions or payments made by the decedent.

[Sec. 2039 as amended by secs. 23(e), 67(a), Technical Amendments Act 1958 (72 Stat. 1622, 1658); sec. 7 (1), Self-Employed Individuals Tax Retirement Act 1962 (76 Stat. 830)]

PAR. 2. Paragraphs (b)(2) and (c)(1) of § 20.2039–2 are amended to read as follows:

§ 20.2039–2 Annuities under "qualified plans" and section 403(b) annuity contracts.

* * * * *

(b) *Plans and annuity contracts to which section 2039(c) applies.* * * *

(2) A retirement annuity contract purchased by an employer (and not by an employees' trust) pursuant to a plan which, at the time of decedent's separation from employment (by death or otherwise), or at the time of the earlier termination of the plan, was a plan described in section 403(a); or

* * * * *

(c) *Amount excludable from the gross estate.* (1) The amount to be excluded from a decedent's gross estate under section 2039(c) is an amount which bears the same ratio to the value at the decedent's death of the annuity or other payment receivable by the beneficiary as the employer's contribution (or a contribution made on his behalf) on the employee's account to the plan or towards the purchase of the annuity contract bears to the total contributions on the employee's account to the plan or towards the purchase of the annuity contract. In applying the ratio set forth in the preceding sentence, payments or contributions made by the employer (or on its behalf) toward the purchase of an annuity contract described in paragraph (b)(3) of this section shall be considered to include only such payments or contributions as are, or were, excludable from the employee's gross income under section 403(b). For purposes of this ratio, contributions or payments made under a plan described in subparagraph (1) or (2) of paragraph (b) of this section on behalf of the decedent while he was an employee within the meaning of section 401(c)(1) with respect to such plan shall be considered to be contributions or payments made by the decedent and not by the employer. Furthermore, in applying this ratio, the value at the decedent's death of the annuity or other payment is determined in accordance with the rules set forth in §§ 20.2031–1, 20.2031–7, 20.2031–8, and 20.2031–9.

PAR. 3. Paragraph (b)(2) of § 20.2053–9 is amended by inserting "transfer" in lieu of "bequest" and, as so amended, reads as follows:

§ 20.2053–9 Deduction for certain State death taxes.

* * * * *

(b) *Condition for allowance of deduction.* * * *

(2) For purposes of this paragraph, the Federal estate tax is considered to be equitably apportioned among all the transferees (including the decedent's surviving spouse and the charitable, etc., transferees) of property included in the decedent's gross estate only if each transferee's share of the tax is based upon the net amount of his transfer subjected to the tax (taking into account any exemptions, credits, or deductions allowed by chapter 11). See examples (2) through (5) of paragraph (e) of this section.

PAR. 4. Section 25.2517 is amended by revising section 2517 and the historical note to read as follows:

§ 25.2517 Statutory provisions; certain annuities under qualified plans.

SEC. 2517. *Certain annuities under qualified plans*—(a) *General rule.* The exercise or nonexercise by an employee of an election or option whereby an annuity or other payment will become payable to any beneficiary at or after the employee's death shall not be considered a transfer for purposes of this chapter if the option or election and annuity or other payment is provided for under—

(1) An employees' trust (or under a contract purchased by an employees' trust) forming part of a pension, stock bonus, or profit-sharing plan which, at the time of such exercise or nonexercise, or at the time of termination of the plan if earlier, met the requirements of section 401(a);

(2) A retirement annuity contract purchased by an employer (and not by an employees' trust) pursuant to a plan which, at the time of such exercise or nonexercise, or at the time of termination of the plan if earlier, was a plan described in section 403(a); or

(3) A retirement annuity contract purchased for an employee by an employer which is an organization referred to in section 503(b) (1), (2), or (3), and which is exempt from tax under section 501(a).

(b) *Transfers attributable to employee contributions.* If the annuity or other payment referred to in subsection (a) is attributable to any extent to payments or contributions made by the employee, then subsection (a) shall not apply to that part of the value of such annuity or other payment which bears the same proportion to the total value of the annuity or other payment as the total payments or contributions made by the employee bear to the total payments or contributions made. For purposes of the preceding sentence, payments or contributions made by the employee's employer or former employer toward the purchase of an annuity contract described in subsection (a)(3) shall, to the extent not excludable from gross income under section 403(b), be considered to have been made by the employee. For purposes of this subsection, payments or contributions on behalf of an individual while he was an employee within the meaning of section 401(c)(1) made under a trust or plan described in subsection (a) (1) or (2) shall be considered to be payments or contributions made by the employee.

(c) *Employee defined.* For purposes of this section, the term "employee" includes a former employee.

[Sec. 2517 as added by sec. 68 and as amended by sec. 23(f), Technical Amendments Act 1958 (72 Stat. 1659); sec. 7(j), Self-Employed Individuals Tax Retirement Act 1962 (76 Stat. 830)]

PAR. 5. Section 25.2517–1 is amended by revising paragraph (b)(1) and so much of paragraph (c)(1) as precedes Example (1). As so amended these provisions read as follows:

§ 25.2517–1 Employees' annuities.

* * * * *

(b) *Annuities or other payments to which section 2517 applies.* (1) Except to the extent provided otherwise in paragraph (c) of this section, section 2517 exempts from transfers subject to the gift tax the value of an annuity or other payment which, upon the death of an employee, will become payable to the employee's beneficiary under:

(i) An employees' trust (or under a contract purchased by an employees' trust) forming part of a pension, stock bonus or profit-sharing plan which, at the time of such exercise or nonexercise, or at the time of termination of the plan if earlier, met the requirements of section 401(a);

(ii) A retirement annuity contract purchased by an employer (and not by an employees' trust) pursuant to a plan which, at the time of such exercise or nonexercise, or at the time of termination of the plan if earlier, was a plan described in section 403(a); or

(iii) A retirement annuity contract purchased for an employee by an employer which is an organization referred to in section 503(b) (1), (2), or (3), and which is exempt from tax under section 501(a).

* * * * *

(c) *Amount excludable from gift.* (1) If an annuity or other payment described in paragraph (a)(1) of this section is attributable to payments or contributions made by both the employee and the employer, the exclusion is limited to that proportion of the value on the date of the gift (see paragraph (a)(1) of this section) of the annuity or other payment which the employer's contribution (or a contribution made on the employer's behalf) to the plan on the employee's account bears to the total contributions to the plan on the employee's account. In applying the ratio set forth in the preceding sentence, payments or contributions made by the employer toward the purchase of an annuity contract described in paragraph (b)(1)(iii) of this section are considered to be contributions made by the employee (and not by the employer) to the extent that such contributions are, or were, not excludable from the employee's gross income under section 403(b). For purposes of this ratio, payments or contributions made to a plan described in subdivision (i) or (ii) of paragraph (b)(1) of this section on behalf of an individual while he was an employee within the meaning of section 401(c)(1) with respect to such plan shall be considered to be payments or contributions made by the employee. The application of this paragraph may be illustrated by the following examples, none of which involve employees within the meaning of section 401(c)(1):

[F.R. Doc. 63–5506; Filed, May 22, 1963; 8:53 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Parts 1003, 1016]

[Docket Nos. AO–293–A6, AO–312–A3]

MILK IN WASHINGTON, D.C., AND UPPER CHESAPEAKE BAY MARKETING AREAS

Notice of Extension of Time for Filing Exceptions to the Recommended Decision on Proposed Amendments to Marketing Agreements and to Orders

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given that the time for filing exceptions to the recommended decision with respect to the proposed amendments to marketing agreements and to the orders regulating the handling of milk in the Washington, D.C., and Upper Chesapeake Bay marketing areas, which was issued April 30, 1963 (28 F.R. 4452), is hereby extended to May 23, 1963.

Dated: May 17, 1963.

CHARLES S. MURPHY,
Under Secretary.

[F.R. Doc. 63–5480; Filed, May 22, 1963; 8:49 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Part 3]

[Docket No. 15083; FCC 63–467]

ADVERTISING ON STANDARD, FM, AND TELEVISION BROADCAST STATIONS

Notice of Proposed Rule Making

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

2. This Commission, and its predecessor, the Federal Radio Commission, have consistently been concerned with the practices of licensees with respect to the broadcast of commercial continuity or announcements. Indeed, in one of its first pronouncements, the Federal Radio Commission stated:

> Advertising must be accepted * * * as the sole means of support of broadcasting, and regulation must be relied upon to prevent the abuse or over use of the privilege." Great Lakes Broadcasting Co., quoted in 3 F.R.C. Ann. Rep., 35.[1]

3. Thus, while it must be recognized that, as the only source of revenue for most broadcast stations, advertising is an indispensable part of the American system of broadcasting, it must be further recognized that broadcast stations cannot be operated primarily in the interest of advertisers in presenting their message to the viewing or listening public, or primarily in the interests of the station licensees in the revenues to be derived therefrom; broadcast stations must be operated in the public interest—the interest of the viewing or listening public in the nature of the program service received. Therefore, while without advertising broadcasting would not exist, with excessive advertising broadcasting is not in the public interest.[2]

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[1] See also, R. R. Jackman, 5 F.C.C. 496 (1938), Travelers Broadcasting Service Corporation 6 F.C.C. 456 (1938), (applications denied because of applicants' commercial policies); The Walmac Co., 3 Pike and Fischer RR 1371 (1947), Community Broadcasting Co., 3 Pike and Fischer RR 1360 (1947), Eugene J. Roth, 3 Pike and Fischer RR 1377 (1947), Michigan Broadcasting Co., 20 Pike and Fischer RR 667 (1960), (applications designated for hearing on issues relating to number and length of commercial announcements); Sheffield Broadcasting Co., 21 Pike and Fischer RR 507 (1961), Fischer Broadcasting Co., 19 Pike and Fischer RR 997 (1961), (applicants given comparative demerits because of over-commercialization); and Miss. Ark. Broadcasting Co. 22 Pike and Fischer RR 305 (1961), Gordon County Broadcasting Co., 24 Pike and Fischer RR 305 (1962), (renewal applications granted for less than regular license period because of applicants' commercial announcement policies).

[2] Nor do we stand alone in recognizing that excessive commercialization is inimical to broadcasting in the public interest. The attempts by the National Association of Broadcasters to limit the amount of time devoted to advertising date back to 1929. See also, Sen. Res. 129, 72 Cong., 1st Sess. ("growing dissatisfaction with the present use of radio facilities for purpose of commerical advertising"); Hearings on H.R. 5589, 69th Cong., 1st Sess., pp. 81–82 (testi-