Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER E—AIRSPACE

[Airspace Docket No. 66-SW-21]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of Control Zones and Transition Area; Correction

On August 19, 1966, F.R. Doc. 66-9005 was published in the FEDERAL REGISTER (31 F.R. 11014) which designated the Killeen, Tex., Fort Hood AAF and Robert Gray AAF control zones and the Killeen, Tex., transition area to become effective October 13, 1966. This action eliminated the requirement for the presently designated Killeen, Tex., control zone and transition area; therefore, action is taken herein for the revocation of these designations.

Since this amendment will impose no additional burden on any person, notice and public procedures are unnecessary, and the effective date of the rule may be retained as initially adopted.

In consideration of the foregoing, F.R. Doc. 66-9005, is amended, effective as follows:

1. In the fourth paragraph, the words "the Killeen, Tex., control zones are designated as follows:" are deleted, and the words "the Killeen, Tex., control zone is revoked and the following control zones are designated:" are substituted therefor.

2. In the fifth paragraph, "designated" is changed to "redesignated."

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Fort Worth, Tex., on August 29, 1966.

A. L. COULTER,
Acting Director, Southwest Region.

[F.R. Doc. 66-9779; Filed, Sept. 7, 1966; 8:45 a.m.]

[Airspace Docket No. 65-AL-30]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

PART 75—ESTABLISHMENT OF JET ROUTES

Extension of Airway, Designation of Jet Route and Low and High Altitude Reporting Points, and Alteration of Control Area

On June 11, 1966, a notice of proposed rule making was published in the FEDERAL REGISTER (31 F.R. 8242) stating that the Federal Aviation Agency was considering amendments to Parts 71 and 75 of the Federal Aviation Regulations which would extend, redesignate, and designate certain Alaskan airways, jet routes, and reporting points.

Interested persons were afforded an opportunity to participate in the proposed rule making through submission of comments. No comments were received.

Subsequent to publication of the notice, a flight check of the proposed Augustine, Alaska, Intersection, indicates that this intersection would be unsatisfactory for air traffic control use. Accordingly, it will not be designated as a low altitude reporting point.

In consideration of the foregoing, Parts 71 and 75 of the Federal Aviation Regulations are amended, effective 0001 e.s.t., November 10, 1966, as hereinafter set forth.

1. Section 71.125 (31 F.R. 2045) is amended as follows:

a. In V-438 "From Shuyak, Alaska, RBN via Homer, Alaska;" is deleted and "From Kodiak, Alaska, via Homer, Alaska, including an W alternate;" is substituted therefor and "The airspace below 2,000 feet MSL outside the United States is excluded." is added at the end of text.

b. V-506 is amended to read:

V-506 From Kodiak, Alaska, via INT of Kodiak 332° and King Salmon, Alaska, 097° radials; King Salmon; Bethel, Alaska; Nome, Alaska; to Kotzebue, Alaska, excluding the airspace below 2,000 feet MSL outside the United States.

2. Section 71.161 (31 F.R. 2049) is amended by adding the following:

Jet Route No. 123, From INT of Kodiak, Alaska, 107° radial and the NW boundary Anchorage Oceanic Control Area at latitude 57°29' N., longitude 150°30' W., via Kodiak to King Salmon, Alaska.

Jet Route No. 125, From Kodiak, Alaska, to Anchorage, Alaska.

3. Section 71.163 (31 F.R. 2050) is amended as follows: In Control 1217 "The airspace below 2,000 feet MSL outside the United States is excluded." is added at the end of text.

4. Section 71.211 (31 F.R. 2289) is amended by adding the following:

Kodiak, Alaska.

Marble INT: INT Kodiak, Alaska, 107° radial and NW boundary Anchorage Oceanic Control Area at latitude 57°29' N., longitude 150°30' W.

5. Section 71.213 (31 F.R. 2290) is amended by adding the following:

Kodiak, Alaska.

Marble INT: INT of Kodiak, Alaska, 107° radial and NW boundary Anchorage Oceanic Control Area at latitude 57°29' N., longitude 150°30' W.

6. Section 75.100 (31 F.R. 2346) is amended by adding the following:

Jet Route No. 123 From INT Kodiak, Alaska, 107° radial and NW boundary Anchorage Oceanic Control Area at latitude 57°29' N., longitude 150°30' W., via Kodiak; to King Salmon, Alaska.

Jet Route No. 125 From Kodiak, Alaska, to Anchorage, Alaska.

(Sec. 307(a), 1110, Federal Aviation Act of 1958 (49 U.S.C. 1348); E.O. 10854 (24 F.R. 9365))

Issued in Washington, D.C., on August 30, 1966.

H. B. HELSTROM,
Chief, Airspace and Air Traffic Rules Division.

[F.R. Doc. 66-9780; Filed, Sept. 7, 1966; 8:45 a.m.]

SUBCHAPTER F—AIR TRAFFIC AND GENERAL OPERATING RULES

[Reg. Docket No. 7583; Amdt. 95-145]

PART 95—IFR ALTITUDES

Miscellaneous Amendments

The purpose of this amendment to Part 95 of the Federal Aviation Regulations is to make changes in the IFR altitudes at which all aircraft shall be flown over a specified route or portion thereof. These altitudes, when used in conjunction with the current changeover points for the routes or portions thereof, also assure navigational coverage that is adequate and free of frequency interference for that route or portion thereof.

As a situation exists which demands immediate action in the interest of safety, I find that compliance with the notice and procedure provisions of the Administrative Procedure Act is impracticable and that good cause exists for making this amendment effective within less than 30 days from publication.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator (24 F.R. 5662), Part 95 of the Federal Aviation Regulations is amended, effective October 13, 1966, as follows:

1. By amending Subpart C as follows:

Section 95.679 *Blue Federal airway 79* is amended to read in part:

From, to, and MEA

Haines, Alaska, LF/RBN; Burwash Landing, Y.T. LFR; #11,000. #For that airspace over U.S. territory.

Section 95.1001 *Direct routes—United States* is amended to delete:

Harrison INT, Ga.; Norcross, Ga., VOR; 3,000.

Section 95.1001 *Direct routes—United States* is amended by adding:

San Diego, Calif., VOR via SAN, 110° rad; United States-Mexican border; 5,600.
San Diego, Calif., VOR via SAN, 120° rad; United States-Mexican border; 4,600.
Avenal, Calif., VOR COP 65 AVE; San Jose, Calif., VOR; *10,000. *6700—MOCA. MAA—39,000.
Columbus, Ga., LOM; Geneva INT, Ga.; *2,200. *1900—MOCA. Via CSE LOM 046° rad.
Dunoir, Wyo., VOR; Billings, Mont., VORTAC; 18,000. MAA—45,000.

Section 95.1001 *Direct routes—United States* is amended to read in part:

Fort Myers, Fla., VOR; Sarasota, Fla., VOR; *2,000. *1,500—MOCA.
Sarasota, Fla., VOR; Arcadia INT, Fla.; *2,000. *1,500—MOCA.
Sarasota, Fla., VOR; La Belle, Fla., VOR; *2,000. *1,500—MOCA.
Norcross, Ga., VOR; Buckhead INT, Ga.; 3,000. Kennesaw INT, Ga.; Buckhead INT, Ga.; 3,300.

Puerto Rico Routes

Route 1:
*Hawaii INT, P.R.; Cabo Rojo INT, P.R.; **8,500. *8,500—MRA. **1,300—MOCA.
Route 9:
*Hawaii INT, P.R.; Ponce, P.R., VOR; 2,500. *8,500—MRA.

Section 95.6003 *VOR Federal airway 3* is amended to read in part:

From, to, and MEA

Savannah, Ga., VOR; Vance, S.C., VOR; *1,900. *1,500—MOCA.

Section 95.6007 *VOR Federal airway 7* is amended to read in part:

Evansville, Ind., VOR; *Decker INT, Ind.; 2,100. *2,300—MRA.

Section 95.6008 *VOR Federal airway 8* is amended to read in part:

Ontario, Calif., VOR; *Rialto INT, Calif.; 5,000. *9,000—MCA Rialto INT, Northeast-bound.
Rialto INT, Calif.; Lucerne INT, Calif.; 10,500.
Lucerne INT, Calif.; Hector, Calif., VOR; *10,000. *9,000—MOCA.

Section 95.6011 *VOR Federal airway 11* is amended to read in part:

Weston INT, Ky.; Evansville, Ind., VOR; 2,100.
Evansville, Ind., VOR via E alter.; Augusta INT, Ind., via E alter.; 2,100.

Section 95.6015 *VOR Federal airway 15* is amended to read in part:

Silver INT, Tex.; Washington INT, Tex.; *2,000. *1,600—MOCA.
Washington INT, Tex.; College Station, Tex., VOR; 1,800.
Sealy INT, Tex., via W alter.; Independence INT, Tex., via W alter.; *2,100. *1,500—MOCA.
Independence INT, Tex., via W alter.; College Station, Tex., VOR via W alter.; 1,800.
College Station, Tex., VOR via W alter.; Barclay INT, Tex., via W alter.; *2,500. *1,800—MOCA.

Section 95.6016 *VOR Federal airway 16* is amended to read in part:

*Moreno INT, Calif.; Banning INT, Calif., eastbound; 13,000. Westbound; 9,000. *12,000—MCA Moreno INT, eastbound.
Wink, Tex., VOR via S alter.; Notrees DME Fix, Tex., via S alter.; 5,500.
Notrees DME Fix, Tex., via S alter.; Midland, Tex., VOR via S alter.; *4,500. *4,400—MOCA.

Section 95.6017 *VOR Federal airway 17* is amended to read in part:

Leming INT, Tex.; Losoya INT, Tex.; *2,500. *1,600—MOCA.
Losoya INT, Tex.; Bellaire INT, Tex.; *2,500. *1,800—MOCA.
Bellaire INT, Tex.; San Antonio, Tex., VOR; *2,500. *2,200—MOCA.

Section 95.6018 *VOR Federal airway 18* is amended to read in part:

St. George INT, S.C.; Charleston, S.C., VOR; *1,800. *1,300—MOCA.

Section 95.6021 *VOR Federal airway 21* is amended to read in part:

Ontario, Calif., VOR; *Rialto INT, Calif.; 5,000. *9,000—MCA Rialto INT, northeast-bound.
Rialto INT, Calif.; Lucerne INT, Calif.; 10,500.
Lucerne INT, Calif.; Hector, Calif., VOR; *10,000. *9,000—MOCA.

Section 95.6037 *VOR Federal airway 37* is amended to read in part:

Blythewood INT, S.C.; Fort Mill, S.C., VOR; *2,400. *2,000—MOCA.
*Tillman INT, S.C.; **Wixon INT, S.C., ***2,000. *3,000—MRA. **3,300—MRA. ***1,300—MOCA.
Wixon INT, S.C.; Allendale, S.C., VOR; *2,000. *1,300—MOCA.

Section 95.6051 *VOR Federal airway 51* is amended to read in part:

From, to, and MEA

Highway, Tenn., VOR via W alter.; *Bakerton INT, Ky., via W alter.; **2,800. *4,500—MRA. **2,300—MOCA.
Bakerton INT, Ky., via W alter.; New Hope, Ky., VOR via W alter.; *2,800. *2,300—MOCA.

Section 95.6053 *VOR Federal airway 53* is amended to read in part:

Charleston, S.C., VOR; St. George INT, S.C.; *1,800. *1,300—MOCA.

Section 95.6054 *VOR Federal airway 54* is amended to read in part:

Ennis INT, Tex.; *Scurry INT, Tex.; **5,000. *2,600—MRA. **1,800—MOCA.

Section 95.6062 *VOR Federal airway 62* is amended to read in part:

Cisco INT, Tex.; *Mill INT, Tex.; **6,000. *3,500—MRA. **3,900—MOCA.
Plainview, Tex., VOR; Lubbock, Tex., VOR; *5,000. *4,600—MOCA.

Section 95.6068 *VOR Federal airway 68* is amended to read in part:

*Comfort INT; **Boerne INT, Tex.; ***3,100. *4,000—MRA. **5,000—MRA. ***2,800—MOCA.
Boerne INT, Tex.; Van Raub INT, Tex.; *3,100. *2,800—MOCA.

Section 95.6076 *VOR Federal airway 76* is amended to read in part:

Hyman, Tex., VOR; San Angelo, Tex., VOR; *4,400. *4,000—MOCA.

Section 95.6081 *VOR Federal airway 81* is amended to read in part:

Lubbock, Tex., VOR; Plainview, Tex., VOR; *5,000. *4,600—MOCA.

Section 95.6094 *VOR Federal airway 94* is amended to read in part:

Wink, Tex., VOR; Notrees DME Fix, Tex.; 5,500.
Notrees DME Fix, Tex.; Midland, Tex., VOR; *4,500. *4,400—MOCA.
Dyess, Tex., VOR; *Mill INT, Tex.; **6,000. *3,500—MRA. **3,900—MOCA.

Section 95.6097 *VOR Federal airway 97* is amended to read in part:

Woodstock INT, Ill.; Janesville, Wis., VOR; *2,900. *2,500—MOCA.

Section 95.6138 *VOR Federal airway 138* is amended to read in part:

Grand Island, Nebr., VOR; Seward INT, Nebr.; *4,000. *3,200—MOCA.

Section 95.6140 *VOR Federal airway 140* is amended to read in part:

Freedom INT, Ky., via N alter.; *Bakerton INT, Ky., via N alter.; **5,500. *4,500—MRA. **3,100—MOCA.

Section 95.6155 *VOR Federal airway 155* is amended to read in part:

Augusta, Ga., VOR; Monetta INT, S.C.; *2,200.*2,000—MOCA.

Section 95.6157 *VOR Federal airway 157* is amended to read in part:

Lotts INT, Ga.; Allendale, S.C., VOR; *2,000. *1,600—MOCA.

Section 95.6159 *VOR Federal airway 159* is amended to read in part:

Palm Beach, Fla., VOR; Parkway INT, Fla.; *1,500. *1,300—MOCA.

From, to, and MEA

Parkway INT, Fla.; Pluto INT, Fla.; *1,500. *1,100—MOCA.

Section 95.6163 *VOR Federal airway 163* is amended to read in part:

Leming INT, Tex.; Losoya INT, Tex.; *2,500. *1,600—MOCA.
Losoya INT, Tex.; Bellaire INT, Tex.; *2,500. *1,800—MOCA.
Bellaire INT, Tex.; San Antonio, Tex., VOR; *2,500. *2,200—MOCA.

Section 95.6177 *VOR Federal airway 177* is amended to read in part:

Marengo INT, Ill.; Janesville, Wis., VOR; *2,700. *2,500—MOCA.

Section 95.6185 *VOR Federal airway 185* is amended to read in part:

Savannah, Ga., VOR; Sardis INT, Ga.; *2,000. *1,500—MOCA.

Section 95.6198 *VOR Federal airway 198* is amended to read in part:

*Comfort INT, Tex.; **Boerne INT, Tex.; ***3,100. *4,000—MRA. **5,000—MRA. ***2,800-MOCA.
Boerne INT, Tex.; Van Raub INT, Tex.; *3,100. *2,800—MOCA.

Section 95.6210 *VOR Federal airway 210* is amended to read in part:

Peach Springs, Ariz., VOR; Grand Canyon, Ariz. VOR; *10,000. *9,500—MOCA.
Grand Canyon, Ariz., VOR; Tuba City, Ariz., VOR; 9,500.

Section 95.6216 *VOR Federal airway 216* is amended to read in part:

Janesville, Wis., VOR; *Wind Lake INT, Wis.; **3,000. *3,000—MRA. **2,500—MOCA.

Section 95.6257 *VOR Federal airway 257* is amended to read in part:

Prescott, Ariz., VOR; Grand Canyon, Ariz., VOR; *10,000. *9,000—MOCA.
*Grand Canyon, Ariz., VOR; Bryce Canyon, Utah, VOR; **13,000. *12,800—MCA Grand Canyon VOR, northbound. **11,400—MOCA.

Section 95.6264 *VOR Federal airway 264* is amended to read in part:

*Moreno INT, Calif., via S alter.; Banning INT, Calif., via S alter., eastbound; 13,000. Westbound; 9,000. *12,000—MCA Moreno INT, eastbound.

Section 95.6266 *VOR Federal airway 266* is amended to read in part:

South Boston, Va., VOR; Lawrenceville, Va., VOR; 2,000.

Section 95.6402 *Hawaii VOR Federal airway 2* is amended to read in part:

High Tide INT, Hawaii; Breakers INT, Hawaii; *3,000. *1,000—MOCA.

Section 95.6415 *Hawaii VOR Federal airway 15* is amended to read in part:

*Molokai, Hawaii, VOR; **Maui, Hawaii, VOR; ***8,000. *5,000—MCA Molokai VOR, eastbound. **6,500—MCA Maui VOR, westbound. ***7,500—MOCA.
Int, 097° M rad, South Kauai VOR and 119° M rad, Lihue VOR; Breakers INT, Hawaii; *3,000. *1,000—MOCA.

Section 95.6440 *VOR Federal airway 440* is amended to read in part:

*Puntilla Lake INT, Alaska; **Windy Fork INT, Alaska; ***10,000. *11,000—MRA. **8,600—MCA Windy Fork INT, southeastbound. ***9,500—MOCA.

Section 95.6444 *VOR Federal airway 444* is amended to read in part:

From, to, and MEA

Bettles, Alaska, VOR; Hess Creek INT, Alaska, *12,000. *5,300—MOCA.

Section 95.6449 *VOR Federal airway 449* is amended to read in part:

Brookfield INT, N.Y.; Deansboro INT, N.Y.; 3,600.
Deansboro INT, N.Y.; Clinton INT, N.Y.; 3,300.

Section 95.6456 *VOR Federal airway 456* is amended to read in part:

Big Mountain, Alaska, LF/RBN; *Copper INT, Alaska, northeastbound; **11,500. Southwestbound; 6,000. *12,000—MCA Copper INT, northeastbound. **6,000—MOCA.

Section 95.6492 *VOR Federal airway 492* is amended to read in part:

Pluto INT, Fla., via N alter.; Parkway INT, Fla., via N alter.; *1,500. *1,100—MOCA.
Parkway INT, Fla., via N alter.; Palm Beach, Fla., VOR via N alter.; *1,500. *1,300—MOCA.

Section 95.6504 *VOR Federal airway 504* is amended to read in part:

Nenana, Alaska, VOR; Rampart INT, Alaska; *7,000. *6,400—MOCA.
Rampart INT, Alaska; Bettles, Alaska, VOR; *7,000. *6,600—MOCA.

Section 95.7086 *Jet Route No. 86* is amended by adding:

From, to, MEA, and MAA

Boulder, Nev., VORTAC; Peach Springs, Ariz., VOR; 18,000; 45,000.
Peach Springs, Ariz., VOR; Winslow, Ariz., VORTAC; 18,000; 45,000.
Winslow, Ariz., VORTAC; El Paso, Tex., VORTAC; #29,000; 45,000. #MEA is established with a gap in navigation signal coverage.

2. By amending Subpart D as follows:
Section 95.8003 *VOR Federal airway changeover points:*

Airway segment: From; to—Changeover point: Distance; from

V-15 is amended to read in part:
Molokai, Hawaii, VOR; Maui, Hawaii, VOR; 13; Maui.
V-16 is amended to read in part:
Ontario, Calif., VOR; Palm Springs, Calif., VOR; 34; Ontario.
V-174 is amended to delete:
Henderson, W. Va., VORTAC; Elkins, W. Va., VORTAC; 49; Henderson.
V-210 is amended to read in part:
Peach Springs, Ariz., VOR; Tuba City, Ariz., VOR; 57; Peach Springs.
V-257 is amended to delete:
Prescott, Ariz., VOR; Bryce Canyon, Utah, VOR; 98; Prescott.
V-257 is amended by adding:
Grand Canyon, Ariz., VOR; Bryce Canyon, Utah, VOR; 79; Grand Canyon.
V-264 is amended to read in part:
Ontario, Calif., VOR via S alter.; Palm Springs, Calif., VOR via S alter.; 34; Ontario.

(Secs. 307, 1110, Federal Aviation Act of 1958 (49 U.S.C. 1348, 1510))

Issued in Washington, D.C., on August 29, 1966.

JAMES F. RUDOLPH,
Acting Director,
Flight Standards Service.

[F.R. Doc. 66-9728; Filed, Sept. 7, 1966; 8:45 a.m.]

SUBCHAPTER I—AIRPORTS

[Docket No. 7595; Amdt. 151-14]

PART 151—FEDERAL AID TO AIRPORTS

Exclusive Rights Prohibition

The purposes of this amendment are to conform § 151.121 with current Agency policy on exclusive rights and to correct the references contained in § 151.41(c)(2).

In making grant agreements under the Federal-aid Airport Program, FAA formerly permitted the continuing existence of exclusive rights at airports to engage in the sale of gasoline and oil, and even new grants of such rights, if the airport had in the past received a transfer of surplus property under section 13(g) of the Surplus Property Act of 1944 (50 U.S.C. App. 1622(g)). (Sec. 13(g)(2)(c) prohibits exclusive rights for the use of airports that receive surplus property but excludes "the sale of gasoline and oil" for aircraft from its definition of activities for which exclusive rights may not be granted.) This was reflected in the last sentence of the sponsor's assurance set forth in § 151.121. The new exclusive rights policy of October 25, 1965 (30 F.R. 13661), requires as a condition on FAAP grants that the sponsor (including the operator of a "surplus airport") agree tc the prospective application at all its airports of the unqualified prohibition of exclusive rights in section 308(a) of the Federal Aviation Act (49 U.S.C. 1349). To reflect this change of policy, the assurance in § 151.121 is reworded, and the present last sentence is deleted.

The preceding (next to last) sentence of the assurance, as now set forth in § 151.121, sets an absolute deadline for steps to terminate existing exclusive rights. The new policy merely requires termination at the earliest renewal, cancellation, or expiration date of the agreement establishing the exclusive right. This sentence is amended to conform it to the new policy.

Section 151.41(c)(2) of Part 151 contains a reference to the Federal Airport Act erroneously reading "section 13(3)" instead of "section 13(a)(3)". This error is being corrected.

The procedural requirements of section 4 of the Administrative Procedure Act do not apply to this amendment because it relates to public grants, benefits, and contracts and merely conforms § 151.121 to previously published Agency policy.

In consideration of the foregoing, Part 151 is amended, effective October 8, 1966, as follows:

1. Section 151.41(c)(2) is amended to read as follows:

§ 151.41 Project costs.

* * * * *

(c) * * *

(2) Be reasonable in amount (or be subject to partial disallowance under section 13(a)(3) of the Federal Airport Act (49 U.S.C. 1112(a)(3));

* * * * *

2. The convenant set forth in § 151.121 is amended to read as follows:

§ 151.121 Procedures: offer; sponsor assurances.

* * * * *

The sponsor will not grant or permit any exclusive right forbidden by section 308(a) of the Federal Aviation Act of 1958 on the airport or any airport that it may subsequently acquire. In furtherance of the policy of the FAA under this covenant the sponsor agrees that, unless authorized by the Administrator, it will not, either directly or indirectly, grant or permit any person, firm, or corporation the exclusive right for the conduct of any aeronautical activities on the airport or any airport subsequently acquired by it, including, but not limited to, charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity. The sponsor further agrees that it will terminate any such exclusive right (including any exclusive right to engage in the sale of gasoline or oil, or both) now existing at the airport or at any airport owned or controlled by the sponsor, at the earliest renewal, cancellation, or expiration date applicable to the agreement that established the exclusive right, and certifies that there is no exclusive right not subject to termination under this provision.

(Secs. 1-15, 17-21, Federal Airport Act (49 U.S.C. 1101-1114, 1116-1120); secs. 308(a), 313(a), Federal Aviation Act of 1958 (49 U.S.C. 1349, 1354))

Issued in Washington, D.C., on August 31, 1966.

WILLIAM F. MCKEE,
Administrator.

[F.R. Doc. 66-9781; Filed, Sept. 7, 1966; 8:45 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket No. C-1088]

PART 13—PROHIBITED TRADE PRACTICES

Phillips Petroleum Co. et al.

Subpart—Acquiring corporate stock or assets: § 13.7 *Joint ventures*,[1] Subpart—Combining or conspiring: § 13.395 *To control marketing practices and conditions*; § 13.452 *To limit production*; § 13.470 *To restrain and monopolize trade.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 7, 38 Stat. 731, as amended; 15 U.S.C. 45, 18) [Cease and desist order, Phillips Petroleum Co. et al., Bartlesville, Okla., Docket C-1088, Aug. 2, 1966]

[1] New section added.

In the Matter of Phillips Petroleum Co., a Corporation; National Distillers & Chemical Corp., a Corporation; Alamo Industries, Inc., a Corporation; and A–B Chemical Corp., a Corporation

Consent order requiring the dissolution of major joint ventures in the polyolefin plastics field between Phillips Petroleum Co. of Oklahoma and National Distillers & Chemical Corp. of New York City, and requiring divestiture of the resin plant and three acquisitions made by one of these joint ventures, and requiring the construction of two new resin plants by Phillips and banning future acquisitions and joint ventures by Phillips or National.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

A. Dissolution of Alamo Industries, Inc., Joint Venture

I. *It is ordered*, That, within ninety (90) days from the effective date of this order, National Distillers & Chemical Corp. (hereinafter referred to as "National") shall sell to Phillips Petroleum Co. (hereinafter referred to as "Phillips"), and Phillips shall purchase from National, capital stock, bonds, debentures, and other securities and interests held by National in Alamo Industries, Inc. (hereinafter referred to as "Alamo"), in accordance with Exhibit A. After such purchase has been completed, Phillips shall comply with the terms of this order which are applicable to Alamo.

II. *It is further ordered*, That, within two (2) years from the effective date of this order, Alamo and/or Phillips shall divest absolutely and in good faith, to a purchaser or purchasers approved by the Federal Trade Commission, the facilities for the production of polypropylene resin known as the Monument Plant and located at Houston, Tex., including, but not limited to, all properties, machinery, equipment, raw material reserves, if any, and all contract rights pertaining to the operation of said facilities to the end that such divested facilities be established as a going concern and effective competitor in the manufacture and sale of polypropylene resins; that Phillips shall grant to the purchaser or purchasers of the aforesaid Monument Plant a license of polypropylene patents and know-how providing for a minimum annual royalty of $200,000 for the first five (5) years, and otherwise at such royalty and upon such terms as were originally provided by Phillips' present license to Alamo; that Phillips shall continue to supply propylene feedstock to the Monument Plant for a term of three (3) years from the sale of the Monument Plant, or for such longer term as, with the approval of the Federal Trade Commission, the purchaser or purchasers may reasonably require, at prices not to exceed the current market price as determined from time to time and under a contract the same in form and substance as Phillips' present propylene supply contract with Alamo, except that the minimum annual quantity shall be 15 million pounds and the maximum annual quantity shall be 40 million pounds; and that Phillips or Alamo shall, at the option of such purchaser or purchasers, agree to manage and operate the aforesaid Monument Plant for such purchaser or purchasers upon such terms as provided by the management agreement now in effect between Phillips and Alamo, but in no event shall such management agreement be for a term of more than five (5) years; and that Phillips may require such purchaser or purchasers to enter into a contract with Phillips, upon reasonable terms and conditions, for the supply of polypropylene resin to cover the requirements of Alamo until Phillips has constructed, in accordance with paragraph III of this order, a new polypropylene plant and until such new plant is in commercial production, or until Alamo has made other arrangements for its polypropylene supply, but in no event shall such contract be for a term of more than five (5) years.

III. *It is further ordered*, That, within three (3) years from the date of divestiture of the Monument Plant as ordered by paragraph II of this order (if such divestiture is accomplished within the two (2) year period therein specified), Phillips shall construct, or cause one of its subsidiaries to construct, facilities for the production of polypropylene resin with a minimum annual rated capacity of 35 million pounds.

IV. *It is further ordered*, That, within two (2) years from the effective date of this order, Alamo and/or Phillips shall divest absolutely and in good faith, to a purchaser or purchasers approved by the Federal Trade Commission, the synthetic film production and manufacturing facilities at Stratford, Conn., heretofore purchased by Alamo from National, including, but not limited to, all properties, plants, machinery, equipment, raw material reserves, if any, and all contract rights pertaining to the operation of said facilities to the end that such divested facilities be established as a going concern and effective competitor in the manufacture and sale of synthetic film; and that National, to the extent that it is legally free to do so, shall grant to such purchaser or purchasers a license of the patents and know-how relating to synthetic film heretofore licensed to Alamo.

V. *It is further ordered*, That, within two (2) years from the effective date of this order, Alamo and/or Phillips shall divest absolutely and in good faith, to a purchaser or purchasers approved by the Federal Trade Commission, the rope business of Alamo's subsidiary, Wall Industries, Inc. (hereinafter referred to as "Wall"), including, but not limited to, the plant located at Beverly, N.J., all machinery and equipment located in said plant, related marketing facilities, and all other properties, plants, machinery, equipment, trade names, contract rights, trademarks, and goodwill relating to said rope business, together with all improvements relating to said rope business, to the end that such business be established as a going concern and effective competitor in the manufacture and sale of rope; and that if, after two (2) years from the effective date of this order, Alamo and/or Phillips have been unable to divest Wall's rope business as aforesaid despite bona fide efforts to do so, Alamo and/or Phillips shall divest such other assets of Wall as shall be necessary to effectuate the divestiture of such rope business.

VI. *It is further ordered*, That, within ninety (90) days from the effective date of this order, Alamo shall sell to National, and National shall purchase from Alamo, all capital stock, bonds, debentures, other securities, and all other interests held by Alamo in Beacon Manufacturing Co., in accordance with Exhibit A.

VII. *It is further ordered*, That Phillips shall grant to National, at National's request made within five (5) years of the date of the aforsaid sale of Alamo's stock by National to Phillips, licenses to Phillips' and/or Alamo's polypropylene process and licenses under United States patents or know-how relating to products using polypropylene in accordance with Exhibit A, to the end that National have available to it all necessary know-how and licenses under patents to enter, if it so desires, the polypropylene field.

B. Dissolution of A–B Chemical Corp. Joint Venture

VIII. *It is further ordered*, That, within ninety (90) days from the effective date of this order, Phillips shall sell to National, and National shall purchase from Phillips, all the capital stock, bonds, debentures, other securities, and all other interests held by Phillips in A–B Chemical Corp. (hereinafter referred to as "A–B"), in accordance with Exhibit B.

IX. *It is further ordered*, That, within five (5) years from the effective date of this order, Phillips shall enter independently into the production of low density polyethylene resin at a newly constructed plant with a minimum annual rated capacity of 140 million pounds. Phillips shall promptly initiate the steps necessary for construction of said plant, and shall continue to use its best efforts to construct such plant and to bring it into production at the earliest possible date.

X. *It is further ordered*, That National shall grant to Phillips, at Phillips' request made within five (5) years from the date of the aforesaid sale of A–B's stock by Phillips, and in connection with its construction of the low density polyethylene plant referred to the preceding paragraph, a license to National's high pressure polyethylene process, in accordance with Exhibit B, to the end that Phillips may utilize National's process, if it so desires, in its independent entry into the production of low density polyethylene resin.

XI. *It is further ordered*, That National shall take certain steps to establish in the low density polyethylene resin business any two firms or companies approved and/or chosen by the Federal Trade Commission, on terms and conditions set forth in the form of agreement annexed hereto as Exhibit C, to the end that competition in low density polyethylene resin be fostered by entry of new producers: *Provided, however*, That if National shall have then granted a license to anyone covering National's high-pressure polyethylene process in the United States, its territories, possessions or Puerto Rico (other than to a licensee who is either already in the high-pressure polyethylene resin business using a process not directly or indirectly obtained from National or is a company at least 50 percent of whose voting stock is owned by National) upon more favorable scope, terms and conditions than those set forth in Exhibit C, then Exhibit C shall be amended to be not less favorable to the licensee than the most favorable license granted to such other licensee.

C. DISSOLUTION OF ATLANTIC POLYMERS, N.V. JOINT VENTURE

XII. *It is further ordered*, That, within ninety (90) days from the effective date of this order, Phillips shall sell to National, and National shall purchase from Phillips, all capital stock, bonds, debentures, other securities and all other interests held by Phillips in Atlantic Polymers, N.V. (a Belgian corporation now engaged in the construction of a plant for the production of polyethylene resin in Belgium), in accordance with Exhibit D.

D. DIVESTITURE OF NATIONAL'S INTEREST IN AMERICAN RENOLIT CORP.

XIII. *It is further ordered*, That, within ninety (90) days from the effective date of this order, National shall sell to Phillips, and Phillips shall purchase from National, all capital stock, bonds, debentures, other securities, and all other interests held by National in American Renolit Corp. (a Delaware corporation engaged in the production of polyvinyl chloride), in accordance with Exhibit E.

E. BAN ON FUTURE ACQUISITIONS AND JOINT VENTURES

XIV. *It is further ordered*, That: (1) For a period of ten (10) years from the effective date of this order, Phillips shall not acquire, directly or indirectly, through subsidiaries, joint ventures or otherwise, the whole or any part of the stock, share captial or assets (other than products sold in the course of business and patents, licenses or know-how) of any domestic concern theretofore engaged principally or as one of its major commodity lines in the manufacture, processing, conversion or sale of any polypropylene or low density polyethylene resin or fabricated product (except a concern the business activities of which in polypropylene or low density polyethylene are limited to processing, conversion or fabrication and which in the year prior to Phillips' acquisition accounted for total sales of polypropylene and high and low density polyethylene products not exceeding one million dollars ($1,000,000)), without the prior approval of the Federal Trade Commission, and

(2) For a period of five (5) years from the effective date of this order, Phillips shall not acquire, directly or indirectly, through subsidiaries, joint ventures or otherwise, the whole or any part of the stock, share capital or assets (other than products sold in the course of business and patents, licenses or know-how) of any domestic concern therefore engaged principally or as one of its major commodity lines in the manufacture, processing, conversion or sale of any high density polyethylene resin or fabricated product (except a concern the business activities of which in high density polyethylene are limited to processing, conversion or fabrication and which in the year prior to Phillips' acquisition accounted for total sales of polypropylene and polyethylene products not exceeding one million dollars ($1,000,000), without the prior approval of the Federal Trade Commission.

XV. *It is further ordered*, That: (1) For a period of ten (10) years from the effective date of this order, National shall not acquire, directly or indirectly, through subsidiaries, joint ventures, or otherwise, the whole or any part of the stock, share capital or assets used in the manufacture or sale of high or low density polyethylene resin (other than products sold in the course of business and patents, licenses or know-how) of any domestic concern engaged (and in the case of joint ventures, to be engaged) principally or as one of its major commodity lines in the manufacture or sale of high or low density polyethylene resin, without the prior approval of the Federal Trade Commission;

(2) For a period of five (5) years from the effective date of this order, National shall not acquire, directly or indirectly, through subsidiaries, joint ventures or otherwise, the whole or any part of the stock, share capital or assets (other than products sold in the course of business and patents, licenses or know-how) of any domestic concern theretofore engaged in the conversion, fabrication or sale of any high or low density polyethylene product where such concern, in the year prior to National's acquisition had total sales of polypropylene and high and low density polyethylene products in excess of five million dollars ($5,000,000), without the prior approval of the Federal Trade Commission;

(3) For a period of five (5) years from the effective date of this order, National shall not acquire, directly or indirectly, through subsidiaries, joint ventures or otherwise, the whole or any part of the stock, share capital or assets used in the manufacture or sale of polypropylene resin (other than products sold in the course of business and patents, licenses or know-how) of any domestic concern then or at any time in the past engaged principally or as one of its major commodity lines in the manufacture or sale of polypropylene resin, without the prior approval of the Federal Trade Commission; and

(4) For a period of five (5) years from the effective date of this order, National, if it shall have authorized entry into the business of producing polypropylene resin, shall not acquire, directly or indirectly, through subsidiaries, joint ventures or otherwise, the whole or any part of the stock, share capital or assets (other than products sold in the course of business and patents, licenses or know-how) of any domestic concern theretofore engaged in the conversion, fabrication or sale of polypropylene products where such concern, in the year prior to National's acquisition, had total sales of polypropylene and high and low density polyethylene products in excess of five million dollars ($5,000,000) without the prior approval of the Federal Trade Commission.

XVI. *It is further ordered*, That, for a period of twenty (20) years from the effective date of this order, Phillips and National shall cease and desist from engaging together, directly or indirectly, in any future joint ventures involving the manufacture, processing, conversion, fabrication or sale of any polyolefin or polyolefin product, without the prior approval of the Federal Trade Commission.

F. GENERAL PROVISIONS

XVII. *It is further ordered*, That, pending divestiture or sale, respondents shall not make or permit any deterioration in any of the plants, machinery, building, equipment or other property or assets of the companies and plants described in this order which may impair their present capacity or market value, unless such capacity or value is restored prior to divestiture or sale.

XVIII. *It is further ordered*, That in the event that respondents, despite bona fide efforts to do so, are unable to divest any or all of the facilities required to be divested by this order or are unable to construct new plants in accord with this order within the specified time, respondents may apply to the Federal Trade Commission at such time for relief from such obligations; and the Federal Trade Commission may issue such orders as it deems appropriate regarding such obligations and the disposition of facilities not yet divested.

XIX. *It is further ordered*, That:

(1) Within ninety (90) days from the effective date of this order, Phillips, National and Alamo shall report in writing to the Federal Trade Commission their compliance with paragraphs I, VI, VIII, XII, and XIII of this order;

(2) Within ninety (90) days from the effective date of this order, and every ninety (90) days thereafter until the divestitures required by paragraphs II, IV, and V of this order have been completed, Phillips and Alamo shall report in writing to the Federal Trade Commission their plans for effecting such divestitures and the actions they have taken in implementation thereof, including, in addition to such other information as may be required, (a) the name, address and official capacity of the individual or individuals designated to carry out each divestiture and to negotiate with interested parties, (b) a brochure, presentation or other writing containing all of the essential information necessary to permit an interested party to evaluate each of the businesses to be divested, including a description and listing of its assets, (c) the efforts made and to be made in advertising and affirmatively announcing the availability of each of the

businesses to be divested, (d) the particular efforts made to locate and interest prospective purchasers not previously engaged in the industry, (e) a summary of contacts and negotiations relating to the sale of facilities ordered to be divested, including the identities of all parties expressing interest in the acquisition of any of the businesses to be divested and, subject to any legally recognized privilege, copies of all written communications pertaining to negotiations, offers to buy or indications of interest in the acquisitions of the whole or any part of any of the businesses to be divested, and (f) copies of all agreements and forms of agreement relating directly or indirectly to proposed sale of the whole or any part of the businesses to be divested.

(3) Within ninety (90) days from the effective date of this order, and every ninety (90) days thereafter until the terms of paragraphs III and IX of this order have been complied with, Phillips shall report in writing to the Federal Trade Commission the steps it has taken to construct plants in compliance with such paragraphs.

Issued: August 2, 1966.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary*.

[F.R. Doc. 66-9785; Filed, Sept. 7, 1966; 8:46 a.m.]

[Docket No. C-1089]

PART 13—PROHIBITED TRADE PRACTICES

Thomas F. Lukens Metal Co. and Mitchell Steinberg

Subpart—Misbranding or mislabeling: § 13.1200 *Content*. Subpart—Misrepresenting oneself and goods—Goods: § 13.1605 *Content*.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, 15 U.S.C. 45) [Cease and desist order, Thomas F. Lukens Metal Co. et al., Philadelphia, Pa., Docket C-1089, Aug. 2, 1966]

Consent order requiring a Philadelphia distributor of commercial solders to cease misrepresenting the tin content of its products.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Thomas F. Lukens Metal Co., a corporation, and its officers, and Mitchell Steinberg, individually and as an officer of said corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of solders, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Using the designation 50-50 alone or in conjunction with the words "by volume" to designate, describe or refer to a commercial solder which does not contain 50 percent tin by weight: *Provided, however*, That it shall be a defense in any enforcement proceeding hereunder for respondents to establish that the tin content of a solder is within the permissible variations in composition allowed in the sampling procedures set forth in the then existing Specifications for Solder Metal as published by the American Society for Testing and Materials.

(2) Using the designation 40-60 alone or in conjunction with the words "by volume" to designate, describe or refer to a commercial solder which does not contain 40 percent tin by weight, *Provided, however*, That it shall be a defense in any enforcement proceeding hereunder for respondents to establish that the tin content of a solder is within the permissible variations in composition allowed in the sampling procedures set forth in the then existing Specifications for Solder Metal as published by the American Society for Testing and Materials.

(3) Misrepresenting by any numerical designation or in any other manner the tin content of any of their solders, *Provided, however*, That it shall be a defense in any enforcement proceeding hereunder for respondents to establish that the tin content of a solder is within the permissible variations in composition allowed in the sampling procedures set forth in the then existing Specifications for Solder Metal as published by the American Society for Testing and Materials.

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

Issued: August 2, 1966.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary*.

[F.R. Doc. 66-9786; Filed, Sept. 7, 1966; 8:46 a.m.]

[Docket No. C-1090]

PART 13—PROHIBITED TRADE PRACTICES

Beatrice Foods Co.

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

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 2, 49 Stat. 1526; 15 U.S.C. 13) [Cease and desist order, Beatrice Foods Co., Chicago, Ill., Docket C-1090, Aug. 2, 1966]

Consent order requiring a Chicago, Ill., wholesale food processor, to cease discriminating among its competing customers in paying promotional allowances for its oriental food products, in violation of section 2(d) of the Clayton Act.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondent, the Beatrice Foods Co., a corporation, and its officers, employees, agents, and representatives, directly or through any corporate or other device, in or in connection with the offering for sale, sale or distribution of any of its oriental food products in commerce, as "commerce" is defined in the Clayton Act, as amended, do forthwith cease and desist from:

Paying or contracting for the payment of anything of value to, or for the benefit of, any customer of respondent as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the offering for sale, sale or distribution of respondent's oriental food products, unless such payment or consideration is made available on proportionally equal terms to all other customers competing in the distribution of such products.

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

Issued: August 2, 1966.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary*.

[F.R. Doc. 66-9787; Filed, Sept. 7, 1966; 8:46 a.m.]

[Docket No. C-1091]

PART 13—PROHIBITED TRADE PRACTICES

Steinberger Bros., Inc., et al.

Subpart—Furnishing false guaranties: § 13.1053 *Furnishing false guaranties*: 13.1053-90 Wool Products Labeling Act. Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely*: 13.1108-40 Federal Trade Commission Act. Subpart—Misbranding or mislabeling: § 13.1185 *Composition*: 13.1185-90 Wool Products Labeling Act; § 13.1212 *Formal regulatory and statutory requirements*: 13.1212-90 Wool Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, secs. 2-5, 54 Stat. 1128-1130; 15 U.S.C. 45, 68) [Cease and desist order, Steinberger Bros., Inc., et al., New York, N.Y., Docket C-1091, August 2, 1966]

In the Matter of Steinberger Bros., Inc., a corporation, and Franklin Steinberger and Howard Steinberger, individually and as officers of said corporation

Consent order requiring a New York City clothing importer and wholesaler, to cease misbranding and falsely invoicing its wool products and furnishing false guaranties for them.

The order to cease and desist, including further order requiring report of compliance therewith, is as follows:

It is ordered, That respondents Steinberger Bros., Inc., a corporation, and its