(c) * * *
(2) * * *
(iii) * * *

(c) In the case of a debt security not in default which has a fixed rate of interest and a fixed maturity date and which is convertible into an equity security, the deduction shall be as follows: If the market value is 90 percent or more of the face value, the deduction shall be 30 percent of the market value, but in no event shall such deduction reduce the value of such security below 80 percent of face value for the purposes of this section; if the market value is below the face value by more than 10 percent but not more than 30 percent, the deduction shall be a percentage of market value equal to the percentage by which the market value is below the face value; if the market value is 30 percent or more below the face value, the deduction shall be 30 percent.

(d) On all other securities, the Deduction shall be 30 percent.

* * * * *

(v) deducting, in the case of a broker or dealer who has open contractual commitments, the respective deductions as specified in subdivision (iii) of this subparagraph, from the value (which shall be the market value whenever there is a market) of each net long and each net short position contemplated by any existing contractual commitment in the capital, proprietary and other accounts of the broker or dealer and, if such broker or dealer is a partnership, in accounts of partners, as hereinafter defined: *Provided, however,* That this deduction shall not apply to exempted securities, and that the deduction with respect to any individual commitment shall be reduced by the unrealized profit, in any amount not greater than the deduction provided for in subdivision (iii) of this subparagraph (or increased by the unrealized loss), in such commitment; and that in no event shall an unrealized profit on any closed transactions operate to increase net capital.

(Secs. 15(c)(3), 23(a), 52 Stat. 1075, 48 Stat. 901, as amended, sec. 203(a), 49 Stat. 1379; 15 U.S.C. 78o and 78w)

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

JUNE 19, 1968.

[F.R. Doc. 68-7526; Filed, June 25, 1968; 8:45 a.m.]

Title 32—NATIONAL DEFENSE

Chapter I—Office of the Secretary of Defense

SUBCHAPTER G—CIVIL DEFENSE

PART 187—EMPLOYMENT OF MILITARY RESOURCES IN THE EVENT OF CIVIL DISTURBANCES

The Deputy Secretary of Defense approved the following on June 8, 1968:

Sec.
187.1 Purpose and scope.
187.2 Applicability.
187.3 Definitions.
187.4 Background.
187.5 Policies.
187.6 Responsibilities.
187.7 Command relationships.
187.8 Organization and administration.
187.9 Providing resources to civil authorities.
187.10 Funding.
187.11 Implementation.

AUTHORITY: The provisions of this Part 187 issued under Chapter 15 of Title 10 of the United States Code (10 U.S.C. 331 et seq.).

§ 187.1 Purpose and scope.

This part establishes uniform Department of Defense policies, assigns responsibilities, and furnishes general guidance for utilizing DoD military and civilian personnel, facilities, equipment, or supplies:

(a) In support of civil authorities during civil disturbances within the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, or any political subdivision thereof.

(b) In other related instances where Federal armed forces may be used to protect life or Federal property or to prevent disruption of Federal activities.

§ 187.2 Applicability.

This part is applicable to all components of the Department of Defense having cognizance over military resources which may be utilized in accordance with the policies set forth herein.

§ 187.3 Definitions.

(a) "Civil disturbances" are riots, acts of violence, insurrections, unlawful obstructions or assemblages, or other disorders, prejudicial to public law and order within the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, or any political subdivision thereof. The term civil disturbance includes all domestic conditions requiring the use of Federal armed forces pursuant to the provisions of Chapter 15 of Title 10, United States Code.

(b) "Federal property" is that property which is owned, leased, possessed, or occupied by the Federal Government.

(c) "Military resources" include military and civilian personnel, facilities, equipment, and supplies under the control of a DoD component.

§ 187.4 Background.

(a) Under the Constitution and laws of the United States, the protection of life and property and the maintenance of law and order within the territorial jurisdiction of any State are the primary responsibility of local and State governments; and the authority to enforce the laws is vested in the authorities of those governments.

(b) The Posse Comitatus Act (18 U.S.C. 1385) prohibits the use of any part of the Army or Air Force to execute local, State or Federal laws except as Congress may authorize. Although the Navy and Marine Corps are not expressly included within its provisions, the act is regarded as national policy applicable to all military services of the United States.

(c) The Constitution of the United States and numerous statutes provide authority to the President to utilize Federal armed forces within any State or territories of the United States, in cases of domestic violence or other civil disturbances:

(1) *To aid State authorities at the request of the State.* Article IV, section 4, of the Constitution makes it the duty of the Federal Government at the request of the legislature of any State (or of the governor if the legislature cannot be convened), to protect the State against domestic violence. Congress has authorized the President to utilize Federal armed forces for this purpose. See 10 U.S.C. 331.

(2) *To enforce the laws of the United States.* Article II, section 3, of the Constitution makes it the duty of the President to see that the laws of the United States are faithfully executed. Whenever the President considers that unlawful obstructions, combinations, or assemblages, or rebellion against the authority of the United States, make it impracticable to enforce the laws of the United States in any State or territory by the ordinary course of judicial proceedings, he is authorized by Congress to utilize such Federal armed forces as he deems necessary to enforce those laws or to suppress the rebellion. See 10 U.S.C. 332.

(3) *To protect the civil rights of citizens within any State.* The XIV Amendment to the Constitution forbids any State to deny equal protection of the laws to any person within its jurisdiction.

(i) In implementation of this provision, Congress has provided that whenever insurrection, civil violence, unlawful combinations, or conspiracies in any State so oppose, obstruct, or hinder the execution of the laws of that State, and of the Unted States, as to deprive any of the population of that State of rights, privileges, and immunities named in the Constitution and secured by laws, and the authorities of that State are unable, fail, or refuse to provide such protection, it will be deemed a denial by that State of the equal protection of the laws.

(ii) Thereupon, it becomes the duty of the President to take such measures, by using Federal armed forces, or by any other means, as he deems necessary, to suppress such disturbances. See 10 U.S.C. 333.

(d) The Attorney General of the United States has been designated by the President to receive and coordinate preliminary requests from States for Federal military assistance under the provisions stated in paragraph (c)(1) of this section. Formal requests from States will be made to the President, who will determine whether Federal Armed Forces will be committed.

§ 187.5 Policies.

(a) The employment of DoD military resources for assistance to civil authorities in controlling civil disturbances will normally be predicated upon the issuance of a Presidential Executive order or Presidential directive authorizing and directing the Secretary of Defense to provide for the restoration of law and

order in a specific State or locality. Exceptions to this condition will be limited to:

(1) Cases of sudden and unexpected civil disturbances or other emergencies endangering life or Federal property or disrupting the normal processes of Government, which require that immediate military action be taken to protect life or Federal property or to prevent the disruption of Federal activities.

(2) The providing of military resources to civil authorities as prescribed in § 187.9.

(b) Until further notice, the Secretary of the Army is delegated any and all of the authority vested in the President by the Constitution and laws of the United States which may hereafter be delegated to the Secretary of Defense by the President by Executive or other order issued for the purpose, in whole or in part, of exercising the authority vested in the President by Chapter 15 of Title 10, United States Code.

(c) Until further notice, the Secretary of the Navy and the Secretary of the Air Force are delegated the authority which may hereafter be delegated by the President to the Secretary of Defense, by Executive or other order, to order to active duty units and members of the Reserve components under their respective jurisdictions, except National Guard units and members, for use pursuant to Chapter 15 of Title 10, United States Code.

(d) DoD Components and their subordinate activities will coordinate with local civil authorities or local military commanders as appropriate, to assure mutual understanding of the policies and procedures to be adhered to in an actual or anticipated civil disturbance situation.

§ 187.6 Responsibilities.

(a) The Secretary of the Army is designated as the Executive Agent for the Department of Defense in all matters pertaining to the planning for, and the deployment and employment of military resources in the event of, civil disturbances. As DoD Executive Agent, the Secretary of the Army (or the Under Secretary of the Army, as his designee) is responsible for:

(1) Providing policy and direction concerning plans, procedures, and requirements to all DoD components having cognizance over military resources which may be employed under the provisions of this part.

(2) Establishing DoD policies and procedures for: (i) Calling the National Guard to active Federal service and ordering other Reserve components to active duty; and (ii) the employment of such forces that may be required to carry out the purposes of this part.

(3) Calling to active Federal service:

(i) The Army National Guard units or members required to carry out the provisions of the Presidential Executive order or other appropriate authority.

(ii) The Air National Guard units or members required to carry out the provisions of the Presidential Executive order or other appropriate authority, subject to the provisions of paragraph (c)(1)(i) of this section.

(4) Providing military resources of the U.S. Army, consistent with defense priorities, to include:

(i) The resources of the Army National Guard called to active Federal service under the provisions of subparagraph (3) of this paragraph.

(ii) The resources of the Army Reserve (other than Army National Guard) ordered to active duty to carry out the purposes of this part.

(5) Exercising through designated military commanders the direction of military resources committed or assigned for employment in the event of actual or potential civil disturbances. When circumstances warrant, such direction will include: (i) Alerting and, if necessary, prepositioning predesignated ground forces; and (ii) directing the Secretary of the Air Force to alert and provide necessary airlift resources. The Attorney General, as the President's representative, will be advised in every instance prior to the pre-positioning of ground force units.

(6) Devising command, control, and communications arrangements to insure effective coordination and responsiveness among Defense agencies, military departments, the Joint Chiefs of Staff (JCS), and Commanders-in-Chief (CINCs) of unified and specified commands, under conditions of prepositioning, deployment, or employment of military resources. Maximum utilization will be made of existing reports of the Joint Operational Reporting System (JOP REP), as prescribed in JCS Pub. 6. Arrangements and reports affecting commanders of unified and specified commands will be coordinated with the JCS.

(7) Providing essential planning, operational, and intelligence data to the National Military Command Center (NMCC) and the military service command centers on a timely basis to insure that the National Command Authorities and appropriate military service command authorities are adequately informed.

(8) Keeping the Secretary of Defense informed of unusual military resource requirements (actual or potential) and other significant developments in connection with civil disturbance planning and operations.

(9) Establishing procedures for review and coordination of all DoD components' directives, instructions, and plans affecting civil disturbance planning and operations to assure conformity with DoD policies stated herein and DoD Executive Agent policies.

(10) Providing for the establishment of a DoD Civil Disturbance Steering Committee and a Directorate of Civil Disturbance Planning Operations. (See § 187.8.)

(11) Providing the necessary facilities, equipment, and personnel as required by the ASD(PA) in the accomplishment of his public affairs responsibilities set forth in paragraph (f) of this section.

(b) The Joint Chiefs of Staff are responsible for:

(1) Establishing procedures that will promptly transfer military resources that are assigned to unified and specified commands (i) to the military departments for civil disturbance operations in the Continental United States (CONUS) or (ii) to unified commands for such operations outside the CONUS, as directed by the DoD Executive Agent and consistent with defense priorities.

(2) Maintaining an appropriate strategic reserve for worldwide employment and contingency operations.

(3) Insuring that directives concerning civil disturbances are issued to the commanders of unified commands, for the employment of military resources outside the CONUS, in accordance with direction and guidance provided by the DoD Executive Agent.

(c) The Secretary of the Air Force is responsible for:

(1) Providing military resources of the U.S. Air Force, as required by the DoD Executive Agent and consistent with defense priorities, to include:

(i) Designating and providing the specific units or members of the Air National Guard to be called to active Federal service under the provisions of paragraph (a)(3) of this section.

(ii) Designating and providing the resources of the Air Force Reserve (other than Air National Guard) ordered to active duty to carry out the purposes of this part.

(2) Exercising for the DoD Executive Agent, through designated military commanders, coordinating authority over and direction of DoD provided military and commercial obligated airlift resources used to fulfill civil disturbance airlift requirements.

(3) Providing airlift to deploy and redeploy civil disturbance forces and for supply, resupply, and aeromedical evacuation.

(d) The Secretary of the Navy is responsible for:

(1) Designating and providing military resources of the U.S. Navy and the U.S. Marine Corps, as required by the DoD Executive Agent and consistent with defense priorities, to include ordering to active duty and utilizing the resources of the Naval Reserve and the Marine Corps Reserve required to carry out the purposes of this part.

(2) Making airlift resources available to the Secretary of the Air Force, consistent with defense priorities, as requested by him in the accomplishment of his airlift responsibilities set forth in paragraph (c) of this section.

(e) The Defense Agencies are responsible for providing resources as required, and advice and assistance on matters within their spheres of responsibility, to the DoD Executive Agent and to the Secretaries of the military departments and to the Joint Chiefs of Staff in the discharge of their responsibilities.

(f) The Assistant Secretary of Defense (Public Affairs) is responsible for all DoD public affairs matters related to civil disturbances. To assure efficiency

and responsiveness in keeping the public fully informed he will:

(1) Provide direction and guidance to the DoD Executive Agent on all aspects of public release of information relating to civil disturbances.

(2) Assign Public Affairs representatives, of appropriate rank, to the Directorate of Civil Disturbance Planning and Operations during civil disturbance operations.

(3) Designate as required on-site DoD Public Affairs Chiefs who will furnish appropriate advice and guidance to task force commanders and, upon request or by direction of appropriate authorities, to other representatives of the Federal Government. The on-site Public Affairs Chief is responsible for the release of public information in the affected area(s). He will work closely with the task force commander and other representatives of the Federal Government to keep the public fully informed. In the event of a disagreement concerning the public release of information between a task force commander and the on-site Public Affairs Chief, the issue will be resolved by the ASD(PA) who will coordinate with the DoD Executive Agent to the extent feasible.

§ 187.7 Command relationships.

(a) In the event of civil disturbances within the CONUS:

(1) Military resources of the unified or specified commands will be transferred by the JCS to their respective military departments, when directed by the DoD Executive Agent. (Such resources will revert to the unified or specified commands, when directed by the DoD Executive Agent.)

(2) The DoD Executive Agent is delegated the authority to exercise, through the Chief of Staff, U.S. Army, the direction of those forces assigned or committed to him by the military departments.

(b) In the event of civil disturbances outside the CONUS, the DoD Executive Agent is delegated the authority to exercise, through the commander(s) designated by the JCS, the direction of those forces assigned or committed to the commanders of unified or specified commands.

(c) At objective areas, designated task force commanders will exercise operational control over all military forces assigned for employment in the event of civil disturbances.

§ 187.8 Organization and administration.

(a) A DoD Civil Disturbance Steering Committee will be established to provide advice and assistance to the DoD Executive Agent concerning civil disturbance matters. The Committee Chairman will be the Under Secretary of the Army. Members will include:

Deputy Attorney General of the United States.
Assistant Secretaries of Defense for Administration and Public Affairs.
General Counsel of the DoD.
Under Secretaries of the Navy and Air Force.
Vice Chiefs of Staff of the Army and Air Force.
Vice Chief of Naval Operations and Assistant Commandant of the Marine Corps.
Representative of the JCS.

(b) A Directorate of Civil Disturbance Planning and Operations with a joint service staff will be established under the Chief of Staff, U.S. Army by the DoD Executive Agent, to plan, coordinate, and direct civil disturbance operations. The Department of the Army will provide the Director and the Department of the Air Force will provide the Deputy Director.

§ 187.9 Providing resources to civil authorities.

Requests for DoD facilities, personnel, equipment, or supplies, received from officials of the 50 States, District of Columbia, Commonwealth of Puerto Rico, U.S. possessions and territories, or any political subdivision thereof, for use in connection with civil disturbances, will be handled as follows:

(a) *Classification of resources.* Military resources will be classified into three groups, as follows:

(1) *Group One.* Military personnel; or arms, ammunition, tank-automotive equipment, and aircraft.

(2) *Group Two.* Military equipment of an offensive nature not included in Group One, such as riot control agents and concertina wire.

(3) *Group Three.* Fire fighting equipment; equipment of a protective nature (such as masks, helmets, armored vests) and other equipment not included in Group One or Two (such as clothing, communications equipment, search lights); and the use of DoD facilities.

(b) *Approval of requests.* (1) Requests for Group One resources may be granted only with the personal approval of the Dod Executive Agent or, when designated by him for that purpose, the Under Secretary of the Army.

(2) Requests for Group Two resources may be granted only with the personal approval of the DoD Executive Agent; or, when designated by him for that purpose: (i) The Under Secretary of the Army; (ii) a task force commander employed at an objective area during a civil disturbance or (iii) a commander, in the event of an actual civil disturbance, specifically designated to implement a contingency plan approved by the DoD Executive Agent.

(3) Requests for Group Three resources may be granted by Secretaries of the military departments, by CINCs of unified and specified commands for areas outside the CONUS, or by commanders of military service installations or organizations who have been delegated such authority by the appropriate Secretary or CINC.

(c) *Denial of requests.* (1) Requests for Group One, Two, or Three resources may be denied at any level in the chain of command, down to and including commanders delegated Group Three approval authority.

(2) To the maximum extent practicable, local military authorities will encourage the use of local or state resources rather than military resources.

(d) *Processing of requests.* (1) All requests will be promptly submitted through channels to the appropriate approving authorities, using the format established by the DoD Executive Agent.

(i) Requests of an urgent nature will be forwarded by the most rapid means of communications available.

(ii) Requests which are not time critical will be handled in keeping with the degree of urgency dictated by the situation.

(2) Requests received by personnel of the Defense agencies will be referred to local military commanders for processing.

(e) *Reporting of requests.* (1) Reports of all requests (approved, denied, or pending) will be prepared by all approval authorities, using the format established by the DoD Executive Agent, and forwarded through channels as follows:

(i) To the military department headquarters, in the case of requests received in the CONUS by the four Services.

(ii) To the JCS, in the case of requests received by organizations or installations over which the commanders of the unified and specified commands exercise command authority.

(2) Reports received by the military department headquarters and the JCS will be transmitted to the DoD Executive Agent, who, in turn, will transmit information copies of all approved requests for Group One and Two resources to the General Counsel of the DoD and the Deputy Attorney General of the United States.

(3) In addition, a weekly summary report of all requests will be compiled by the DoD Executive Agent, showing actions taken (approved, denied, or pending) and submitted to the General Counsel of the DoD, the Assistant Secretary of Defense (Installations and Logistics), and the Deputy Attorney General of the United States. Negative summary reports are required.

§ 187.10 Funding.

(a) The Assistant Secretary of Defense (Comptroller) will issue implementing instructions including related reporting requirements to provide for financing costs associated with civil disturbance operations, to include reimbursement of military department expenditures as appropriate.

(b) Military assistance (Group One, Two, and Three resources) provided to civil authorities, under the provisions of § 187.9, will be on a reimbursable or reclaimable basis as appropriate.

§ 187.11 Implementation.

(a) Military department, JCS, and Defense agency directives, instructions, or plans for the use of military resources in the event of civil disturbances will be revised within 30 days from the date of this part: (i) To agree with the provisions of this part, and (ii) to conform with the policies and guidance promulgated by the DoD Executive Agent.

(b) Implementing directives, instructions, or plans revised or developed by DoD components under assignment herein will be furnished to the DoD Executive Agent for review.

(c) The Secretary of the Army, as DoD Executive Agent, will:

(1) Develop terms of reference, in conformity with the DoD policies set forth herein, prescribing responsibilities, functions, and procedures for the DoD Civil Disturbance Steering Committee and the Directorate of Civil Disturbance Planning and Operations.

(2) Submit such terms of reference to the Secretary of Defense for approval within 30 days from the date of this part.

Effective date. This part is effective immediately.

MAURICE W. ROCHE,
Director, Correspondence and Directives Division, OASD (Administration).

[F.R. Doc. 68-7521; Filed, June 25, 1968; 8:45 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER A—BUREAU OF ACCOUNTS

PART 205—WITHDRAWAL OF CASH FROM THE TREASURY FOR ADVANCES UNDER FEDERAL PROGRAMS

Letter-of-Credit Method of Financing Advances

As a matter of convenience for banks in the District of Columbia which maintain accounts for public or private organizations receiving advances under Federal grant or other programs, and to authorize the Cash Division, Office of the Treasurer, to make payment on payment vouchers issued by such organizations, the Treasury Department finds that it is necessary to amend its regulations at 31 CFR Part 205 which govern withdrawal of cash from the Treasury for advances under such programs. The Department also finds, in accord with 5 U.S.C. 553, that notice and public procedure thereon are not necessary since the amendments involve matters relating to grants.

Accordingly, paragraphs (d) and (f), § 205.4, Subchapter A, Chapter II of Title 31 of the Code of Federal Regulations are amended to read as follows:

§ 205.4 Letter-of-credit method of financing advances.

* * * * *

(d) *Drawdowns.* Recipient organizations shall draw on letters of credit by issuing a payment voucher, Form TUS 5401. Each payment voucher, bearing the signature and, if required, the countersignature of the individuals so authorized by the recipient organization, shall be forwarded through the commercial bank in which the recipient organization has its account to (1) the appropriate Federal Reserve Bank or branch, or (2) the Cash Division, Office of the Treasurer of the United States, Department of the Treasury, if that commercial bank is located in the District of Columbia. The payment voucher will be reviewed for compliance herewith and the payment charged to the general account of the Treasurer of the United States. The amount of each payment voucher paid under this regulation shall constitute payment to the recipient organization by the United States.

* * * * *

(f) *Disposition.* Letters of credit, together with related signature cards, shall be transmitted to the Bureau of Accounts, Department of the Treasury, Washington, D.C. 20226, for transmittal to the appropriate Federal Reserve Bank or branch, or the Cash Division, Office of the Treasurer of the United States, and a copy of the letter of credit shall be furnished to the recipient organization. A recipient organization shall not submit, and a Federal Reserve Bank or branch, or the Cash Division, shall not charge the account of the Treasurer of the United States for, any payment voucher which exceeds the balance of the letter of credit remaining available, or which does not contain the signature and, if required, countersignature of the individuals authorized to sign the payment voucher.

(5 U.S.C. 301)

Effective date. This amendment shall be effective on July 1, 1968.

Dated: June 20, 1968.

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

[F.R. Doc. 68-7562; Filed, June 25, 1968; 8:48 a.m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration

PART 1—GENERAL PROVISIONS

Copies of Records and Papers

In § 1.526, paragraphs (i) and (l) are amended to read as follows:

§ 1.526 Copies of records and papers.

* * * * *

(i) Schedule of fees:

(1)	Typewritten pages, each page or fraction thereof	$1.50
(2)	Photocopy reproductions from all types of copying processes. Each reproduced page	.25
(3)	Certification	.50
	Seal, including certification	.50
(4)	Searching, per hour (minimum charge one-half hour)	3.00
(5)	Abstracts or copies of medical and dental records which are furnished by Veterans Administration hospitals and outpatient clinics to insurance companies. Per request	4.00
(6)	Office handling of files under court subpoena.	
	(i) When the file is in the office served with the subpoena	$3.00
	(ii) When the file must be shipped from a different geographical area to the office served with the subpoena	10.00

* * * * *

(l) Department, staff office, and field station heads are authorized to designate employees to certify copies of records and papers furnished under the provisions of paragraph (a) of this section.

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

This VA regulation is effective the date of approval.

Approved: June 20, 1968.

By direction of the Administrator.

[SEAL] A. H. MONK,
Acting Deputy Administrator.

[F.R. Doc. 68-7559; Filed, June 25, 1968; 8:48 a.m.]

PART 2—DELEGATIONS OF AUTHORITY

Certification of Copies of Records and Papers

Section 2.50 is revised to read as follows:

§ 2.50 Department, staff office, and field station heads are authorized to designate employees to certify copies of records and papers in the custody of the Veterans Administration.

This delegation of authority is identical to § 1.526(l) of this chapter.

By direction of the Administrator.

[SEAL] A. H. MONK,
Acting Deputy Administrator.

[F.R. Doc. 68-7560; Filed, June 25, 1968; 8:48 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

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

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 4455]

[Montana 6712]

MONTANA

Extension of Boundaries of Lewis and Clark National Forest

By virtue of the authority vested in the President by section 13 of the act of June 28, 1934 (48 Stat. 1274; 43 U.S.C. 315-1), and section 1 of the act of July 20, 1939 (53 Stat. 1071; 16 U.S.C. 471b), and pursuant to Executive Order No. 10355 of May 26, 1952 (17 F.R. 4831), it is ordered as follows:

The boundaries of the Lewis and Clark National Forest are hereby extended to include the following described public lands and, subject to valid existing rights, the lands are hereby added to and made a part of the said national forest and hereafter shall be subject to all laws and regulations applicable thereto:

PRINCIPAL MERIDAN

T. 11 N., R. 18 E.,
Sec. 18, NE¼NW¼.

The tract described contains 40 acres in Fergus County.

HARRY R. ANDERSON,
Assistant Secretary of the Interior.

JUNE 20, 1968.

[F.R. Doc. 68-7524; Filed, June 25, 1968; 8:45 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

[Docket No. 18123; FCC 68-644]

PART 31—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS A AND CLASS B TELEPHONE COMPANIES

PART 33—UNIFORM SYSTEM OF ACCOUNTS FOR CLASS C TELEPHONE COMPANIES

Continuation of Property Records, Retirement Units, Plant Accounting, and Units of Property

Order. In the matter of amendment of Part 31 of the Commission's rules relating to continuing property records, retirement units, and plant accounting; also amendment of Part 33 of the Commission's rules relating to units of property; Docket No. 18123 (RM-1203), (RM-1215), (RM-1241).

1. On April 10, 1968, the Commission adopted a notice of proposed rule making in the above matter. This notice was published in the FEDERAL REGISTER on April 17, 1968 (33 F.R. 5585).

2. The time for filing comments with respect to this matter has expired and the only comments received were from the GT&E Service Corp. on behalf of the General System Companies favoring the amendments set forth in the notice of proposed rule making.

3. The amendments herein being adopted are exactly the same as those indicated in the notice of proposed rule making with respect to this matter.

It is ordered, Under authority contained in sections 4(i) and 220 of the Communications Act of 1934, as amended, that Part 31, Uniform System of Accounts for Class A and Class B Telephone Companies, and Part 33, Uniform System of Accounts for Class C Telephone Companies, are amended as set forth below, effective January 1, 1969.

It is further ordered, That this proceeding is hereby terminated.

Adopted: June 19, 1968.

Released: June 21, 1968.

(Secs. 4, 220, 48 Stat., as amended 1066, 1078; 47 U.S.C. 154, 220)

FEDERAL COMMUNICATIONS COMMISSION,[1]
[SEAL] BEN F. WAPLE,
Secretary.

I. Part 31—Uniform System of Accounts for Class A and Class B Telephone Companies is amended as follows:

1. In § 31.100:2, paragraph (a) is amended to read as follows:

§ 31.100:2 Telephone plant under construction.

(a) This account shall include the original cost of construction of telephone plant, other than station apparatus and station connections, that is not completed ready for service. It shall include interest during construction, taxes during construction, and all other elements of cost of such construction work. (Note also §§ 31.2-20 to 31.2-22 and account 231.)

* * * * *

2. In § 31.2-25, paragraphs (a) and (b) (2) are amended to read as follows:

§ 31.2-25 Telephone plant retired.

(a) To the end that the telephone plant accounts (note §§ 31.2-20 and 31.2-21) shall at all times disclose the original cost of all property in service, the original cost of retired property, whether replaced or not (except as provided in paragraph (b) (2) of this section and in account 231), shall be credited to the account or accounts in this classification to which such cost was charged. Normally, these retirement credits with respect to such plant as entire buildings, entire central offices, large private branch exchanges, all plant abandoned, and any large sections of plant withdrawn from service with knowledge that they will not be physically removed during the following month shall be entered in the accounts for the month in which use of the property ceased and no later than the next succeeding month with respect to other plant: *Provided,* That when literal compliance with this provision for timing of entries with respect to the property amounting to less than $10,000 retired under any one project would involve an unreasonable amount of recordkeeping and estimating of quantities, original costs, and salvage, such entries may be deferred until physical removal of the property or decision to abandon it in place if there is assurance that such removal or decision will not be unduly delayed. Every company shall, therefore, take such measures and establish such procedure as will insure strict compliance with these requirements. When any item of property subject to plant retirement accounting is worn out, lost, sold, destroyed, abandoned, surrendered upon lapse of title, becomes permanently unserviceable, is withdrawn, or for any other reason is retired from service, the amount in the plant accounts applicable to that item shall be credited to the appropriate plant accounts, and the retirement entry shall refer to the source (or to the supporting records showing the source) in the continuing property record from which the cost was obtained. (Note also paragraph (e) of this section.)

(b) Depreciable telephone plant: For the purpose of avoiding undue refinement in accounting for the replacement of small items of property, the accounting for retirements and replacements of depreciable telephone plant shall be as follows:

* * * * *

(2) Minor items: This group includes any part or element of plant, other than station apparatus and station connections, which is not designated as a retirement unit. The original cost of any minor item of property retired and not replaced shall be credited to the plant account and charged to account 171 (note also paragraph (b) of the text of that account), except that if the original cost of a minor item of property is included in the specific or average cost for a retirement unit of which the minor item is a part or is included in the costs for various retirement units to which the minor item is common, no separate credit to the telephone plant account is required when such a minor item is retired. If minor items of property are replaced (apart from the retirement unit of which they form a part or with which they are associated) no retirement entry shall be made. The cost of the replacement shall be charged to the account appropriate for the cost of repairs of the property, except that if the replacement effects a substantial betterment (the primary aim of which is to make the property affected more useful, of greater durability, of greater capacity, or more economical in operation) the excess cost of (i) such a replacement over (ii) the estimated cost at the then current prices of replacing without betterment the minor items being retired, shall be charged to the appropriate telephone plant account.

* * * * *

3. In § 31.2-26, paragraph (a) is amended to read as follows:

§ 31.2-26 Continuing property record required.

(a) Not later than June 30 of the first year following that in which a company has annual operating revenues in excess of $1 million, it shall file with the Commission two copies of a complete plan of the method to be used in the compilation of a continuing property record with respect to each class of property for which such records are hereinafter prescribed. The plan shall include a list of the property-record units proposed for

[1] Commissioner Loevinger not participating; Commissioner Johnson absent.

use under each plant account. A narrative statement shall accompany the list of proposed property-record units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuing property record, to the end that a ready analysis with respect to the sufficiency thereof may be made. In preparing this narrative statement, the company shall include typical examples indicating the use of, and relationship between, the various forms and records. Each company shall submit to the Commission two copies of any proposed basic changes in its continuing property-record plan at least thirty days before the effective date of the proposed changes.

* * * * *

§ 31.8 [Amended]

4. Section 31.8 is amended as follows:

a. The introductory text is amended to read as follows:

(a) The list of retirement units prescribed in paragraph (c) of this section shall (except as provided in paragraph (b) of this section) be used in connection with the accounting provided in §§ 31.2–24 and 31.2–25, except that any company may use smaller units which are subdivisions of the units listed provided its practice in this respect is consistent. However, the list shall not be considered as determining the classification of the telephone plant involved. Any company having annual operating revenues exceeding $1 million which elects to exercise its option of using smaller units than those prescribed in paragraph (c) hereof shall notify the Commission 30 days before (1) commencing such use, (2) making any change therein, or (3) discontinuing such use.

(b) In lieu of the retirement units prescribed in paragraph (c) hereof with respect to a particular account, a company may, after obtaining specific approval by the Commission, establish and maintain its own list of retirement units for a portion or all of the plant in any such account. The considerations underlying the selection of items as retirement units and a list of representative retirement units shall be submitted for Commission approval. An up-to-date list of such retirement units shall be maintained in each accounting area. This list shall be available for inspection at any time.

(c) Except as provided in paragraphs (a) and (b) of this section, each company shall use the following list of retirement units:

* * * * *

b. The note following the list of retirement units for account 221 is amended to read as follows:

221 CENTRAL OFFICE EQUIPMENT

* * * * *

NOTE: When a substantial expenditure is incurred in the replacement of minor items that are parts of retirement units in a central office or at a large private branch exchange (apart from the replacement of the retirement units with which their cost is associated) for the purpose of improving or changing the type of equipment or its method of operation, the material installed and retired and the labor and incidental costs involved in replacing the minor items shall be handled through the telephone plant and depreciation reserve accounts.

c. The list of retirement units for accounts 242:1, 242:2, 242:3 and 242:4 is amended to read as follows:

242:1 AERIAL CABLE; 242:2 UNDERGROUND CABLE; 242:3 BURIED CABLE; 242:4 SUBMARINE CABLE

Two continuous spans or more of cable, with or without associated distribution terminals, suspension strand, clamps, lashing, etc. (The term "span" shall include a length of cable from a Y splice not located at a pole to a pole or building.)

A section or run of cable, with or without associated elements and parts, as follows:

(1) Between a manhole, handhole, or service box and a pole, building, fence, wall, or the junction with house cable.

(2) Between manholes, handholes, or service boxes; or between an office cable vault and an office manhole.

(3) Between a cable vault or an office manhole and the main frame, the main frame terminating cables, or the frame mounted connector stub.

(4) A section of buried cable 300 feet or more in length, or any section of buried cable between manholes, splicing boxes, pedestals, poles, or buildings.

(5) All of a continuous run of one size of house cable. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(6) All of a continuous run of one size of block cable, i.e., cable attached to buildings, walls, or fences. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(7) All of a submarine cable for one crossing; or a section of submarine cable 300 feet or more in length.

(8) A section of underground dip cable between poles and/or buildings, or the appropriate units listed above.

Any length of cable connected with but not a part of any unit on this list when replaced concurrently with the unit.

Terminating cables: All of the cables and forms used for terminating one cable.

A complete cross-connecting cable terminal, protected or unprotected, with or without associated balcony, pole seat, etc.

A pressure contactor terminal, with or without contactor.

A complete house terminal, protected or unprotected, including frame type.

A complete video terminal.

A complete coaxial terminal.

A submarine cable hut or house.

A submarine cable anchorage.

A submarine cable terminating frame.

A case of equipment, such as loading coils, building-out capacitors, carrier line filters, or auto-transformers.

An air dryer.

5. In Appendix B to Part 31, sections 1 and 2 are amended to read as follows:

APPENDIX B

STANDARD PRACTICES FOR THE ESTABLISHMENT AND MAINTENANCE OF CONTINUING PROPERTY RECORDS BY TELEPHONE COMPANIES HAVING INVESTMENT IN ACCOUNT 100:1, "TELEPHONE PLANT IN SERVICE," IN EXCESS OF $40 MILLION

1. *Accounting areas.* * * *

(b) Not later than June 30, following the year in which a company's investment in account 100:1, "Telephone plant in service," exceeded $40 million, there shall be filed with the Commission two copies of a list of accounting areas, to be accompanied by descriptions of the boundaries of each area. Description of proposed major changes in accounting areas, such as consolidation, subdivision, addition or elimination of areas shall be submitted in duplicate to the Commission 30 days in advance of the proposed effective dates of such changes.

2. *Property record units.* (a) In each of the established accounting areas, the "property-record units" (in terms of which the continuing property record is to be maintained) shall be set forth separately, classified by size and type and with the amount of original cost (or other appropriate book cost) associated with such units. When a list of property-record units has been accepted by the Commission, the property-record units set forth therein shall become the property-record units referred to in this statement of standard practices. When it is found necessary to revise this list because of the addition of units used in providing new types of service, or new units resulting from improvements in the art, or because of the grouping or elimination of units which no longer merit separate recognition as property-record units, two copies of such changes shall be submitted to the Commission. Upon appropriate showing by the company, the Commission may specifically exempt the company from the filing provisions of the preceding sentence.

* * * * *

(d) The continuing property record shall reveal the location, the essential details of construction, and the cost of each type of central office (manual, step-by-step, etc.) in each building, and of each large private branch exchange. Because of the small number of interim retirements and the comparatively small amounts involved therein, unless such annual retirements become at least 25 percent of the balance at the beginning of the year with respect to any central office, the cost of each central office need not be broken down into the individual retirement units of which it is composed. Further, the cost of an office from which annual interim retirements of 25 percent or more were made need not be broken down to its component retirement units if that type of office is not being used in the current installation of new wire centers. The continuing property record and other underlying records of construction cost shall be so maintained that, upon any retirement of one or more retirement units (or of minor items without replacement when not included in the costs of retirement units), the actual cost or a reasonable accurate estimate of the cost of the plant retired can be determined.

* * * * *

II. Part 33—Uniform System of Accounts for Class C Telephone Companies is amended as follows:

In § 33.81, the note following the list of units of property for account 1021 and the list of units of property for account 1045 are amended to read as follows:

§ 33.81 Units of property.

* * * * *

CENTRAL OFFICE EQUIPMENT (ACCOUNT 1021)

* * * * *

NOTE: When a substantial expenditure is incurred in the replacement of minor items that are parts of retirement units in a central office or at a large private branch exchange (apart from the replacement of the retirement units with which their cost is associated) for the purpose of improving or changing the type of equipment or its method of operation, the material installed

and retired and the labor and incidental costs involved in replacing the minor items shall be handled through the telephone plant and depreciation reserve accounts.

* * * * *

POLES, CONDUIT, CABLE, AND WIRE (ACCOUNT 1045)

* * * * *

Cable:

Two continuous spans or more of cable, with or without associated distribution terminals, suspension strand, clamps, lashing, etc. (The term "span" shall include a length of cable from a Y splice not located at a pole to a pole or building.)

A section or run of cable, with or without associated elements and parts, as follows:

(1) Between a manhole, handhole, or service box and a pole, building, fence, wall, or the junction with house cable.

(2) Between manholes, handholes, or service boxes; or between an office cable vault and an office manhole.

(3) Between a cable vault or an office manhole and the main frame, the main frame terminating cables, or the frame mounted connector stub.

(4) A section of buried cable 300 feet or more in length, or any section of buried cable between manholes, splicing boxes, pedestals, poles, or buildings.

(5) All of a continuous run of one size of house cable. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(6) All of a continuous run of one size of block cable; i.e., cable attached to buildings, walls, or fences. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(7) All of a submarine cable for one crossing; or a section of submarine cable 300 feet or more in length.

(8) A section of underground dip cable between poles and/or buildings, or the appropriate units listed above.

Any length of cable connected with but not a part of any unit on this list when replaced concurrently with the unit.

Terminating cables: All of the cables and forms used for terminating one cable.

A complete cross-connecting cable terminal, protected or unprotected, with or without associated balcony, pole seat, etc.

A pressure contactor terminal, with or without contactor.

A complete house terminal, protected or unprotected, including frame type.

A complete video terminal.

A complete coaxial terminal.

A submarine cable hut or house.

A submarine cable anchorage.

A submarine cable terminating frame.

A case of equipment, such as loading coils, building-out capacitors, carrier line filters, or auto-transformers.

* * * * *

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