eral Home Loan Bank stock, obligations, participations or other instruments fully guaranteed as to principal and interest by an agency or instrumentality of the United States named in subparagraph (3) of paragraph (a) of § 523.10 of Part 523 of Subchapter B of this Chapter V, prepaid Federal Savings and Loan Insurance Corporation premiums, loans secured by the type of obligations, participations or other instruments which qualify as liquid assets of the institution pursuant to the provisions of subparagraphs (2) and (3) of paragraph (a) of § 523.10 of this chapter, loans in process, loans on the security of the institution's share accounts, investments (other than in capital stock) in other institutions insured by the Federal Savings and Loan Insurance Corporation and in institutions insured by the Federal Deposit Insurance Corporation and less 80 percent of the institution's actual investments in insured and guaranteed loans and guaranteed obligations.

§ 561.18 [Deleted]

2. Delete the present provisions of § 561.18.

§ 561.19 [Deleted]

3. Delete the present provisions of § 561.19.

§ 571.2 [Deleted]

4. Delete the present provisions of § 571.2.

(Secs. 402, 403, 48 Stat. 1256, 1257, as amended; 12 U.S.C. 1725, 1726. Reorg. Plan No. 3 of 1947, 12 F.R. 4981, 3 CFR 1943–48 Comp., p. 1071)

Resolved further that interested persons are invited to submit written data, views, and arguments to the Office of the Secretary, Federal Home Loan Bank Board, 101 Indiana Avenue NW., Washington, D.C. 20552, by May 1, 1969, as to whether this proposal should be adopted, rejected or modified. Written material submitted will be available for public inspection at the above address unless confidential treatment is requested or the material would not be made available to the public or otherwise disclosed under § 505.6 of the general regulations of the Federal Home Loan Bank Board (12 CFR 505.6).

By the Federal Home Loan Bank Board.

[SEAL] JACK CARTER, *Secretary.*

[F.R. Doc. 69–2845; Filed, Mar. 7, 1969; 8:48 a.m.]

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

[33 CFR Part 401]

SEAWAY REGULATIONS AND RULES

Notice of Proposed Rule Making

Notice is hereby given that the St. Lawrence Seaway Development Corporation, acting jointly with The St. Lawrence Seaway Authority of Canada pursuant to provisions of its enabling act (33 U.S.C. 981 et seq.), proposes to adopt miscellaneous amendments with respect to Subpart A—Regulations and Subpart B—Rules of 33 CFR Part 401.

Interested parties may submit written data, views, or arguments in regard to the amendments proposed herein to the St. Lawrence Seaway Development Corporation, Seaway Circle, Massena, N.Y. (Attention: Counsel). All relevant matter received not later than 30 days after publication of this notice will be considered. Formal adoption of these amendments by the Corporation is contemplated during the 1969 navigation season of the St. Lawrence Seaway.

The proposed amendments in Subpart A—Regulations and Subpart B—Rules of 33 CFR Part 401, as revised by 28 F.R. 3754–62 and further amended by 29 F.R. 5034–35, 30 F.R. 6580–81, 31 F.R. 8062–64, 32 F.R. 6394–96, and 33 F.R. 7083–84 are set forth below.

I. It is proposed that the Regulations of Subpart A, concerning Definitions in § 401.2 be amended to clarify the area of jurisdiction by reflecting the extension of traffic control in the connecting channels; as follows:

§ 401.2 **Definitions.**

* * * * *

(g) "Seaway" means that portion of the deep waterway between the Port of Montreal and Lake Erie that is under the jurisdiction of the Authority and includes all canals, works and connecting channels that are part of the deep waterway and all other canals and works, wherever located, the management, administration and control of which have been entrusted to the Authority.

* * * * *

II. It is proposed that the rules of subpart B be amended to effect the deletion of references to the Lachine, Cornwall, and Third Welland Canals as follows: §§ 401.101–5 (Security for tolls) by deletion of the words "Lachine, Cornwall, Welland and"; 401.102–4 (Masts) by deletion of the phrase "and no vessel shall transit the Lachine Canal if a mast on the vessel extends more than 59 feet above water level"; 401.104–1 (Navigation season) by deletion of reference to the opening and closing of the Lachine Canal; 401.104–5 (Maximum draft for Lachine, etc.) by deletion of the words "Lachine, Cornwall and" and the words "Lachine, Cornwall or" from the heading and in the body of the section; 401.104–8 (Furnishing information re. masts) by deletion of the phrase "and vessels, whose masts extend more than 54 feet, shall not transit the Lachine Canal until the same condition has been fulfilled", 401.104–18 (Stopping over mitre sills) by deletion of the words "Lachine, Cornwall or"; by deletion of §§ 401.104–20 (Entering Iroquois Lock or Lock 8) and 401.104–21 (Entering Locks of Lachine, Cornwall, Sault Ste. Marie Canals); 401.104–30 (Turning basins) by deletion of the words "the Lachine Canal", "Cornwall Canal", and "Third Welland Canal"; 401.104–37 (Combined beams) by deletion of the words "40 feet in the case of transit of the Lachine or Cornwall Canals" and 401.107–6 (Pleasure craft) by deletion of the words "Lachine, Cornwall, Third Welland, and". The closure of the Lachine, Cornwall, and Third Welland Canals at the end of the 1968 navigation season will make reference to these second line canals superfluous.

III. It is proposed that the rules of Subpart B be further amended in §§ 401.102–10 (Radiotelephone equipment) and 401.103–2 (Radiotelephone frequencies) by replacement of the abbreviations "Mcs and Kcs" by the abbreviations "Mhz and Khz" as required; §§ 401.103–1 (Listening watch), 401.103–3 (Location of stations) and 401.103–7 (Calling-in points) by replacement of the words "Dispatch Area" by the words "Traffic Control Sector", as required; § 401.104–11 (Passing Restrictions), 401.104–13 (Order of passing through), 401.104–31 (Dropping anchor or tying to canal bank), 401.104–33 (Reporting position at anchor, wharf, etc., and resuming transit), 401.104–41 (Towing more than one vessel) and 401.104–43 (Loss of anchor) by replacement of the word "Dispatcher" with the words "Vessel Traffic Controller"; § 401.104–29 (Leaving a lock) by replacement of the word "fenders" with the words "ship arresters"; and § 401.104–30 (Turning basins) by replacement of the words "Bridge 9" by the words "Guard Gate"; to reflect changes in the designation of certain positions, modifications in the Traffic Control System and, in one case, the removal of a Seaway structure.

IV. It is further proposed that the Rules of Subpart B concerning Condition of Vessels, §§ 401.102–1 to 401.102–25 be amended by amplifying § 401.102–11 (on mooring lines) to obtain a higher degree of standardization and to preclude the use of inadequate mooring lines; § 401.102–12 (on fairleads) by adding direction to eliminate the mounting of fairleads flush with the hull, which may result in mooring lines being pinched between the vessel and a wall; § 401.102–18 (on propeller direction alarms and r.p.m. indicators) by deleting the phrase "effective January 1, 1969" since it will no longer be meaningful; §§ 401.102–19 (sewage disposal systems) and 401.102–20 (oily-water separators) by prescribing required rather than recommended equipment, consistent with antipollution regulations; and § 401.102–21 (rudder angle indicators) by deleting the phrase "effective January 1, 1968" since it is no longer meaningful, as follows:

§ 401.102–11 **Mooring lines.**

(a) Mooring lines must be uniform throughout their length, fitted with an eye not less than 8 feet long and must have sufficient strength to check the vessel. They must be arranged so that they may be led to either side of the vessel as required.

(b) Synthetic lines may be used for mooring at approach walls, tie-up walls and docks within the Seaway provided they have an appropriate breaking strength. Wire rope mooring lines must

be used for securing in lock chambers unless otherwise permitted.

(c) The following table sets out minimum specifications for mooring lines:

Ship's overall length	Length of mooring line	Breaking strength
125 feet to 200 feet	360 feet	15 tons.
200 feet to 300 feet	360 feet	21 tons.
300 feet to 500 feet	360 feet	28 tons.
500 feet to 730 feet	360 feet	35 tons.

§ 401.102–12 Fairleads.

* * * * *

When mounted flush with the hull, fairleads should be fendered to prevent the lines from being pinched between the vessel and a wall.

§ 401.102–18 Propeller direction alarms and r.p.m. indicators.

Vessels in excess of 260 feet in overall length shall be equipped with propeller direction and shaft r.p.m. indicators or visible and audible wrong-way propeller direction alarms located in the wheelhouse and the engineroom.

§ 401.102–19 Sewage disposal systems.

It is strongly recommended, and will become a mandatory requirement effective January 1, 1970, that vessels not otherwise equipped with containers for ordures shall be equipped with an approved sewage disposal system.

§ 401.102–20 Oily-water separators.

Vessels which cannot contain waste oil products or bilge water containing waste oil products, shall be equipped with oily-water separators or other such equipment for the extraction of oil products from waste water before discharge.

§ 401.102–21 Rudder angle indicators.

Vessels in excess of 260 feet in overall length shall be equipped with rudder angle indicators located in the wheelhouse.

V. It is further proposed that the rules of Subpart B respecting Radio Communications, §§ 401.103–1 to 401.103–8 be amended by revising § 401.103–2 (on radio telephone frequencies) by deleting the reference to Channel 52 which will only be used for emergency work upon directions from the Seaway stations; § 401.103–3 (on location of stations) by adding a new Seaway station between VDX21 and VDX22 to accommodate the establishment of new Traffic Control Sectors between Iroquois Lock and the Welland; § 401.103–4 (calling-in) to eliminate confusion caused by the use of abbreviated reports by standardizing reporting procedures at each Calling-in Point; by deleting § 401.103–5 (calling-in on entering Montreal) since the information is obtained by the Seaway Controller from the Montreal Harbor Dispatch Station; § 401.103–7 (Calling-in Points) by inserting two new calling-in points to further accommodate the establishment of New Traffic Control Sectors between Iroquois Lock and the Welland; and § 401.103–8 (communication at Canadian Sault Ste. Marie Canal) to accommodate the extension of radio communication control at the Canadian Sault which previously was arranged with the Lockmaster at the U.S. St. Mary's Falls Canal; as follows:

§ 401.103–2 Radiotelephone frequencies.

The Seaway stations operate on the following assigned VHF frequencies:

156.8 Mhz (Channel 16) Safety and calling.
156.7 Mhz (Channel 14) Working (Canadian stations).
156.6 Mhz (Channel 12) Working (Eisenhower station).

The Seaway stations maintain a listening watch, for emergency only, on 2182 Khz (Channel 51).

§ 401.103–3 Location of stations.

The Seaway stations are for vessel traffic control purposes only, and are located as follows:

Call letters	Call sign	Location
* * *	* * *	* * *
VDX 21	Seaway Iroquois	Iroquois Lock (Traffic Control Sector No. 3).
WAG (WAG Clayton).	Clayton, N.Y.	Traffic Control Sector No. 4.
VDX 22	Seaway Welland	Welland Canal Headquarters (Traffic Control Sector No. 6).

§ 401.103–4 Calling-in.

Vessels intending to, or in transit, must report on the assigned frequency to the designated station when opposite Calling-in-Points, giving the following information:

Name of vessel.
Position.
Destination.
Sailing Draft Fore and Aft.
Cargo.

At calling-in points 14A and 14B, vessels must also report their estimated time of arrival at the next calling-in point.

§ 401.103–5 [Deleted]

§ 401.103–7 Calling-in points.

	Traffic control sector	Station call sign
UPBOUND VESSELS		
* * *	* * *	* * *
No. 12—Robertson's Point—Buoy No. 98—Lake St. Lawrence (order of passing through established here).	No. 3	VDX21.
No. 14A—Whaleback Shoal—Buoy 153—St. Lawrence River	No. 4	WAG.
No. 14B—Tibbetts Point—Lake Ontario	No. 4	WAG.
No. 15—Reporting Buoy, 22½ miles off entrance piers—Port Weller, Lake Ontario (order of passing through established here).	No. 6	VDX22.
DOWNBOUND VESSELS		
No. 16—Three Mile Fairway Buoy—off Port Colborne Harbor—Lake Erie (order of passing through established here).	No. 6	VDX22.
No. 14B—Tibbetts Point—Lake Ontario	No. 4	WAG.
No. 14A—Whaleback Shoal—Buoy 153—St. Lawrence River	No. 3	VDX21.
No. 14—Maitland—Fairway Buoy—St. Lawrence River	No. 3	VDX21.
* * *	* * *	* * *

§ 401.103–8 Communication at Canadian Sault Ste. Marie Canal.

Vessels intending to enter the Canadian Sault Ste. Marie Canal will call VDX23, which operates on the same frequencies as the Canadian Seaway Stations. The Calling-In Points are at Six Mile Point for upbound vessels and at Brush Point for downbound vessels.

VI. It is further proposed that the rules of Subpart B respecting Transit Instructions, §§ 401.104–1 through 401.104–48, be amended by revising § 401.104–9 (Speed) to clarify the regulatory power which may be exercised over open channels through a Seaway Notice; § 401.104–15 (limit of approach to a lock) by deleting the words "at the Lock" to provide appropriate coverage for display of signal lights located elsewhere than at the Lock; § 401.104–34 (signaling approach to bridge) and § 401.104–35 (limit of approach to a bridge) to further clarify regulatory power regarding Seaway Notices; § 401.104–37 (combined beam) by changing the 72 feet limitation to 75 feet 6 inches since the restriction of the total beam of a vessel and tug to less than that of a single vessel is unnecessary; § 401.104–39 (two tugs) by deleting the restriction on pusher barges, enabling operational discretion to be exercised on the merits of special instructions issued on all tows; and the addition of § 401.104–49 (Deck Cargo) to insure the safety of Seaway installations and vessels, as follows:

§ 401.104–9 Speed.

Maximum speed for vessels in designated areas of the Seaway may be prescribed in a Seaway Notice. Subject to such other * * *.

§ 401.104–15 Limit of approach to a lock.

The stem of a vessel approaching a lock or guard gate shall not pass the indicated sign signifying the limit of approach until the signal light shows green.

§ 401.104–34 Signaling approach to bridge.

Unless the vessel's approach has been recognized by a flashing red signal light, three distinct blasts shall be sounded * * *.

§ 401.104–35 Limit of approach to a bridge.

A vessel shall not pass the "Limit of Approach" sign at any movable bridge until such bridge is in fully open position and the light shows green, and it shall not pass the sign at the twin railway bridges on the South Shore Canal at Caughnawaga, on the Welland Canal, or at Bridges 20 and 21 on the Welland Canal, until both bridges are in a fully open position and both lights show green.

§ 401.104–37 Combined beam.

A tug shall not be fastened alongside a vessel so that the total beam exceeds 55 feet in the case of the Sault Ste. Marie (Canada) Canal or 75 feet, 6 inches in the case of any other canal.

§ 401.104–39 Two tugs.

Where two tugs are required by special instructions for towing a particular vessel, one shall be on a line ahead of the towed vessel and the other on a line astern. (Two adequate tugs shall be required for a tow in excess of 200 feet, except that specially constructed low barges designed to be pushed by a tug at the center of the stern, may be permitted to transit with only one tug.)

§ 401.104–49 Deck cargo.

Cargo or containers carried on deck, either forward or aft, shall be stowed in a manner which permits an unrestricted view from the bridge for the purpose of navigation.

VII. It is lastly proposed that the rules of Subpart B concerning Pleasure Craft, §§ 401.107–1 to 401.107–8 be amended by revising § 401.107–7 (payment of tolls) and deleting § 401.107–8 (preclearance and excess toll accounts for larger crafts) to discontinue the prescription against cash payments and incorporate the assessment of pleasure craft in excess of 350 tons in accordance with the special Welland charges, as follows:

§ 401.107–7 Payment of tolls.

Payment of tolls shall be made by the person in charge of a pleasure craft while the craft is within the lock chamber. All pleasure craft in excess of 350 tons are subject to the regular tolls applicable to cargo and passenger vessels.

§ 401.107–8 [Deleted]

(68 Stat. 93–97, 33 U.S.C. 981–990, as amended)

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION,
[SEAL] JOSEPH H. MCCANN,
Administrator.

[F.R. Doc. 69–2835; Filed, Mar. 7, 1969; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 230, 270]

[Releases Nos. IC–5628 and 33–4954]

CERTAIN SEPARATE ACCOUNTS OF INSURANCE COMPANIES IN WHICH EMPLOYER OR EMPLOYEE CONTRIBUTIONS UNDER QUALIFIED PENSION AND PROFIT-SHARING PLANS ARE HELD AND INVESTED AND TRANSACTIONS INVOLVING SUCH SEPARATE ACCOUNTS

Notice of Proposed Rule Making

Notice is hereby given that the Securities and Exchange Commission has under consideration the adoption of Rule 6e–1 (17 CFR 270.6e–1) under the Investment Company Act of 1940 ("Investment Company Act") which would exempt from the registration requirements of the Investment Company Act certain separate accounts established by life insurance companies upon the condition that such accounts comply with all but certain designated provisions of the Act and meet other requirements set forth in the proposed rule. The proposed rule would be adopted pursuant to the authority granted to the Commission in sections 6(c), 6(e), and 38(a) of the Investment Company Act.

Notice is also given that the Commission has under consideration an amendment to Rule 156 (17 CFR 230.156) under the Securities Act of 1933 ("Securities Act"), relating to the proposed Rule 6e–1. Rule 156 defines "transactions by an issuer not involving any public offering" in section 4(2) of the Securities Act to include certain transactions involving separate accounts which are now exempt from Rule 3c–3 (17 CFR 270.3c–3) under the Investment Company Act. The proposed amendment would extend that definition to certain transactions involving separate accounts which meet the conditions set forth in proposed Rule 6e–1 and would also provide that no "sale," "offer," "offer to sell," and "offer for sale" would be deemed to be involved, for purposes only of section 5 of the Securities Act, in certain defined circumstances. The amendment would be adopted pursuant to the authority granted to the Commission in section 19(a) of the Securities Act.

On January 7, 1963 the Commission adopted Rule 3c–3 (Investment Company Act Release No. 3605 (28 F.R. 402)) under the Investment Company Act exempting from the provisions of that Act certain transactions of insurance companies involving group annuity contracts which provide for the allocation of employer's contributions to separate accounts established and maintained pursuant to State legislation which permits the income, gains, and losses, whether or not realized, from assets allocated to such account to be credited to or charged against such account without regard to other income, gains or losses of the insurance company. Transactions so exempt from the Investment Company Act by Rule 3c–3 were also given the status of "transactions by an issuer not involving any public offering" in section 4(2) of the Securities Act, provided certain conditions were met, by the adoption by the Commission on August 1, 1963 of Rule 156 under the Securities Act (Securities Act Release No. 4627 (28 F.R. 8208)).

On July 2, 1964, the Commission amended Rule 3c–3 (Investment Company Act Release No. 4007 (29 F.R. 9434)) to extend the exemption provided by that rule to group annuity contracts which met all the conditions of the original Rule 3c–3 other than the requirement that benefits be payable only in fixed-dollar amounts. Thus, under the amended Rule 3c–3, certain transactions involving group contracts which provide for retirement benefits that vary to reflect the investment experience of a separate account are also entitled to exemption, provided those benefits derive solely from contributions of the employer. The amended rule continued the condition of the original rule that the contract must prohibit the allocation to the separate account of any payment or contribution made by an employee.

Since the adoption and amendment of Rules 3c–3 and 156 (30 F.R. 2022) the Commission has continued to consider the appropriateness of new rules which would permit certain exemptions from the Investment Company Act and the Securities Act for insurance company separate accounts to which employee contributions may be allocated, subject to appropriate restrictions for the protection of investors.

Rule 6e–1 (17 CFR 270.6e–1). Proposed Rule 6e–1 would apply to separate accounts which hold assets attributable only to pension and profit-sharing plans which meet the requirements for qualification under either section 401 or 404(a)(2) of the Internal Revenue Code. These are commonly referred to as "qualified plans." They include plans established for self-employed persons pursuant to the provisions of the Self-Employed Individuals Tax Retirement Act of 1962 ("Smathers-Keogh plans"), since those plans also meet the requirements of section 401 or 404(a)(2). Unlike Rule 3c–3, the proposed rule does not condition the exemption by requiring a prohibition against the allocation of employee contributions to the separate account. Thus, separate accounts which meet the more restrictive conditions for exemption under Rule 3c–3 will continue to enjoy the much more extensive exemption from the Investment Company Act provided by that rule while, on the other hand, a wider variety of pension and profit-sharing plans will be able to be funded through contracts participating in separate accounts which qualify for the narrower exemption under proposed Rule 6e–1.

Proposed Rule 6e–1 provides that certain separate accounts are exempt from section 7 (of the Act) which effectively prohibits an unregistered investment company from operating, and section 8 (of the Act), which provides for the method of registration and the content of the registration statement. In place of the notification of registration provided for by section 8(a) (of the Act), an insurance company may file a notification of claim of exemption under Rule 6e–1 on Form N–6E–1 to be promulgated. In place of the registration statement required by section 8(b), the insurance company will file a report on Form N–6E–2 to be promulgated.

The proposed Rule 6e–1 would also provide that such separate accounts must comply with every provision of the Investment Company Act as if they were registered open-end investment companies, except for a number of specified sections of the Investment Company Act. In addition to sections 7 and 8 (of the Act), exemption would be granted from section 18(i) (of the Act) so that persons who hold participating interests in the separate account will not be required to be given any voting rights. In consequence, and since such separate accounts will not have a separate board of directors, exemption would also be granted from the other provisions of the Act which, broadly speaking, provide the opportunity for shareholder participation in the management of registered investment companies. These provisions include sections 10 (other than subsection (f) thereof), 15, 16, 20 (a) and (b), and 32 (a) and (b) (of the Act). A conditional exemption would be granted from section 13(a) (of the Act) which requires majority shareholder approval of any change in the fundamental investment policy of a registered investment company. Instead the Commission must be notified in writing at least 60 days prior to any proposed change in the investment policy of a separate account. The change may then be made unless the Commission, within 30 days of the receipt of such notice, conditions or limits the exemption provided by the rule.

A partial exemption from section 9 (of the Act) is proposed which would make the restrictions of that section applicable only to officers and directors of the insurance company and to other employees who participate either in the administration of the separate account or in the sale of participating contracts.

A limited exemption from the provisions of section 14(a) (of the Act) is provided in order to afford separate accounts claiming exemptions from the provisions of the Investment Company Act under Rule 6e–1 with the same treatment which the Commission has proposed in Investment Company Act Release No. 5586 (Jan. 24, 1969 (34 F.R. 1910)) for registered separate accounts having assets derived solely from pension and profit-sharing plans meeting the requirements of section 401, 403(b), or 404(a) of the Internal Revenue Code. That is, exemption from the minimum capital requirements of section 14(a) (of the Act) would be afforded by Rule 6e–1 where the insurance company has a combined capital and surplus or an unassigned surplus of at least $1 million.

A narrow exemption from section 17 (d) (of the Act) is proposed. Most life insurance companies currently invest some portion of their general funds in common stocks and it is anticipated that many companies will establish more than one separate account that will qualify for exemption under Rule 3c–3 or the proposed Rule 6e–1. While the investment policies of these separate accounts may differ, there will be times when an insurance company will wish simultaneously to purchase the same security or sell the same security, on behalf of its general accounts and one or more of its separate accounts. Proposed Rule 6e–1 would grant exemption from section 17(d) (of the Act) to permit contemporaneous purchases or contemporaneous sales of the same class or series of securities of the same issuer on behalf of separate accounts and the general account of the insurance company. Except to the extent provided by this exemption, section 17(d) (of the Act) will be applicable to transactions of separate accounts claiming exemption under this rule exactly as if such accounts were registered investment companies.

The proposed rule would grant an exemption from section 17(f) (of the Act) to allow securities held in a separate account claiming exemption under the rule to be held in the custody of the insurance company. Exemption from section 19 (of the Act) is proposed since separate accounts do not pay dividends in the sense in which the term is used in this section.

Because of the manner in which insurance companies negotiate and sell contracts respecting interests in separate accounts for funding pension and profit-sharing plans, the Commission believes that it is not necessary to impose all the requirements of section 22 (of the Act) on such separate accounts. Thus exemptions from sections 22 (a), (b), (d), (e), and (f) are proposed. No exemption is proposed, however, from section 22(c), so that the Commission will retain jurisdiction to prescribe means of pricing of interests in such accounts and prevent the imposition of unconscionable or grossly excessive sales loads. Similarly, no exemption from section 22(g) is proposed, since the Commission believes there is no reason why separate accounts should not observe the prohibitions of this section.

Since most contracts that participate in a separate account meeting the conditions of Rule 6e–1 will be exempt from the registration requirements of the Securities Act, under the amendment to Rule 156 that is simultaneously being proposed, the provisions of section 24 of the Investment Company Act, other than subsection (b), would not be meaningful as applied to such accounts. However, exemption from the entire section is proposed, including section 24(b), since the proposed rule, in paragraph (b), would impose separate specific filing requirements with respect to literature prepared by the insurance companies that relate to the operations of such separate accounts. These requirements are discussed below. Similarly, exemption is proposed from sections 30 and 31(a) (of the Act), which require periodic reporting to the Commission and to stockholders and the keeping of prescribed records. In place of these requirements the proposed rule will require reports and records in a form which takes into account the nature of the contracts issued through such separate accounts and the manner in which such accounts are administered.

An exemption from section 27(c) (of the Act) is proposed in recognition of the fact that annuity contracts with life contingencies are necessarily nonredeemable during the pay-out period.

Paragraph (b) of proposed Rule 6e–1 sets forth the several report and recordkeeping requirements that have already been mentioned. Subparagraphs (1) and (2) require the filing of initial reports which correspond to the notification of registration and the registration statement filed by investment companies. Subparagraph (3) requires the filing of such annual and other reports and the maintenance of such records with respect to separate accounts as the Commission shall prescribe as appropriate.

Subparagraph (b)(4) requires the insurance company to furnish a written statement to every employer to which a contract participating in the separate account has been issued, if the retirement plan provides for benefits which vary to reflect the investment results of the separate account. That statement must explain, to the extent applicable to the particular employer's retirement plan, that the benefits to be received by employees will not be paid in any fixed dollar amount but will vary to reflect the investment experience of the separate account, and that the assets held in the account will include common stocks and other equity investments. In addition, the statement must describe how the insurance company will determine the dollar amount of each periodic payment to be made to the covered employees pursuant to the plan. A copy of the statement must be filed with the Commission within 10 days after it is delivered to any employer.

The insurance company must recommend to the employer that this statement should be transmitted to each covered employee. While it appears desirable that each employee be given a copy of such a statement, it is the employer, rather than the funding agency, that controls what communications are delivered to its employees. Accordingly, it would not be feasible to impose such an obligation upon the insurance company. Although this section is not intended to impose any duty upon employers to transmit copies of this required statement to their employees, responsible employers will, of course, wish to be certain that their employees are given the information set forth in this required statement.

Subparagraph (b)(5) would also impose upon insurance companies claiming exemption under the proposed rule the requirement to file certain other documents with the Commission. Virtually every employer that establishes a pension or profit-sharing plan will provide its covered employees with a booklet or brochure describing the principal features of the plan. Sometimes a copy of the plan itself is distributed. In some cases this description is prepared entirely by the employer. In many cases the funding agency will participate in its preparation, supplying information for part of the brochure. In other cases the funding agency will be entirely responsible for the preparation and printing of this descriptive material. This subparagraph does not require any participation by the insurance company in the preparation of this explanatory literature. It does require, if the funding agency does furnish the employer with all or some portion of a document that is transmitted to employees, or if it provides the employer with material that may reasonably be expected to be transmitted to employees, that a copy of what has been furnished the employer, if it relates in any way to the separate account, be filed with the Commission within 10 days after it is first delivered to an employer.

Subparagraph (c) of the proposed rule sets forth two conditions that must be met by a separate account in order to be exempt under the rule. The first is that the separate account be legally segregated and not subject to claims which arise out of any other business of the insurance company. Because the value of the assets held in separate accounts will be related not only to investment performance but also to the longevity of covered employees, formulation of this condition has required the use of insurance terminology. The reserve and other contract liabilities under all contracts that participate in a separate account, which is the equivalent of the value of all present and future payments that the insurance company is obligated to make under the contracts, can be determined only by actuarial computations. This amount, moreover, will vary from time to time to take into account the deaths of persons who were entitled to payment of benefits under the contracts. To the extent that the market value of the assets in a separate account exceeds the reserve and other contract liabilities of the account, the excess is part of the surplus of the insurance company. Subparagraph (c)(1) of the proposed rule recognizes that this portion of the assets held in a separate account must be subject to claims arising out of other business of the insurance company. The subparagraph also provides that the value of the assets of the account must not be less than the reserve and other contract liabilities of the account. Thus the insurance company is free to transfer any or all of the excess from a separate account to its general funds. If, however, the value of the assets should fall below the amount of the reserve and other contract liabilities, the insurance company is required to eliminate the deficiency by transferring funds to the account.

Under the laws of many of the States which authorize the establishment of separate accounts by life insurance companies, such accounts will either be legally segregated to the extent required by this subparagraph or can readily be made segregated through the addition of appropriate provisions in the participating contracts. Some States require legal segregation but other States do not require nor permit such segregation. This condition will be satisfied if an arrangement is made which will ensure, in the event of bankruptcy of the insurance company, that claims of creditors that arise out of other business of the insurance company will not be satisfied out of assets held to meet the separate account contract obligations. This might be accomplished, for example, through some form of insurance with a different insurance company, or by provision of a superior lien under applicable State law. Because insurance companies in some States may find it difficult to make the necessary arrangements to comply with this condition, it is provided that the condition need not be satisfied until 6 months after the effective date of the rule.

The second condition is that every contract which participates in a separate account claiming exemption under the rule must authorize the contract holder to direct that the assets held pursuant to his contract be withdrawn or transferred. This will enable a contract holder, if he chooses, to utilize a different funding agency for the investments of the funds supporting his plan. This withdrawal privilege would not, however, apply to funds allocated to provide benefits to individual employees who have retired, since the insurance company would in such cases have assumed direct contractual obligations to pay those benefits. In some cases these benefits might be payable to persons other than employees, as in the case of a plan which provides for the payment of an annuity to an employee and his spouse so long as either shall live. Amounts held to provide for the payment of benefits to the spouse of a deceased employee under such an arrangement would also not be required to be made subject to this withdrawal provision.

Many existing contracts already contain such a provision. These usually provide for a limitation upon the amount that may be withdrawn in any 1 month. This is to protect against a large drain upon the assets of the account, causing a forced liquidation of some of the securities, to the possible disadvantage both to the withdrawing contract holder and to other contract holders. Such a limitation is authorized under the proposed rule, provided that the contract must permit the withdrawal of at least $1 million in any 1 month, or, where the value of the contract holder's interest in the separate account at the time the request for withdrawal or transfer is made is in excess of $20 million, at least 5 percent of the value of that interest.

The proposed rule also provides that no surrender charge in excess of 2 percent may be made in connection with any such withdrawal or transfer. Many contracts employed for the purpose of funding pension and profit-sharing plans impose no sales load at all in connection with purchase payments but do impose what would be the equivalent of a sales load in connection with withdrawals or the payment of benefits. In order to accommodate these arrangements, subparagraph (c)(2) permits a surrender charge in excess of 2 percent but only if the sales load and the surrender charge under the contract in the aggregate do not exceed 6 percent.

Section 6(c) of the Investment Company Act provides that the Commission by rule, regulation, or order may conditionally or unconditionally exempt any person, security, or transaction, or any class of persons, securities, or transactions, from any provision or provisions of the Investment Company Act, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Investment Company Act. Section 6(e) of the Investment Company Act provides that if, in connection with any rule, regulation, or order under section 6 exempting any investment company from any provision of section 7, the Commission deems it necessary or appropriate in the public interest or necessary for the protection of investors that certain specified provisions of the Investment Company Act shall be applicable in respect of such company, the provisions so specified shall apply to such company and to other persons in their transactions and relations with such company, as though such company were a registered investment company. Section 38(a) of the Investment Company Act authorizes the Commission to issue rules necessary or appropriate to the exercise of the powers conferred upon the Commission in the Investment Company Act.

Rule 156 (17 CFR 230.156). Rule 156 under the Securities Act, as presently in force, defines as "transactions by an issuer not involving any public offering" in section 4(2) of that Act transactions which are exempted from the Investment Company Act by Rule 3c-3 (17 CFR 270.3c-3) provided that certain additional conditions are met.

In connection with its proposal to adopt Rule 6e-1 (17 CFR 270.6e-1) the Commission also proposes to amend Rule 156. Paragraph (a) generally follows the present rule but would cover transactions involving contracts which relate to separate accounts claiming exemption either under Rule 3c-3 or Rule 6e-1, instead of only under Rule 3c-3. This paragraph continues to cover only transactions with employers and has no applicability to any transaction whereby an employee acquires an interest in a separate account.

The present Rule 156 is applicable only to contracts which are negotiated with an employer for the benefit of at least

25 employees because this is one of the conditions for exemption under Rule 3c–3. Since the proposed Rule 6e–1 would not have any such condition, it is proposed to make such a requirement an explicit condition in subparagraph (a)(1) of the amended Rule 156.

The term "employer" is defined, as it is in the present Rule 156, to mean "an employer, employers or persons acting on their behalf." This would include within the definition of transactions not involving any public offering, the sale of group contracts to trustees or associations representing several employers in a single industry. In several industries, pension, and profit-sharing plans are established in connection with collective bargaining between industry-wide management representatives and unions, and these plans permit covered employees to change from one employer to another while remaining eligible for benefits under the plan. A group annuity contract issued for the purpose of funding such a plan would not, under the amended rule, as it does not now under the present rule, have to be registered under the Securities Act, if the other conditions of the rule are met.

A different test would apply, however, to contracts issued for the purpose of funding Smathers-Keogh plans. Where a contract is to cover a sole proprietorship or a partnership involving 25 or more employees, the transaction would be regarded under the rule as a transaction not involving a public offering. But where a contract is issued covering the employees of several separate enterprises, as would be the case with a contract issued to a bar or medical association, permitting participation thereunder by members of the association, this would be regarded as constituting a public offering if any member of the association employed less than 25 persons. As a practical matter it would therefore appear that virtually all Smathers-Keogh contracts would be subject to the registration requirements of the Securities Act.

Paragraph (b) of the proposed amendment to Rule 156 is new. Since Rule 3c–3 provides an exemption from the Investment Company Act only for transactions involving contracts which prohibit the allocation of employee contributions to a separate account, paragraph (b) would be applicable only where allocations of employee contributions are made to a separate account which is entitled to exemption under Rule 6e–1, as part of a transaction that is regarded as not involving a public offering under Rule 156(a).

Subparagraph (b) provides that no sale or offer shall be deemed to be involved where employee contributions are allocated to a separate account under the foregoing circumstances if two conditions are met. First, there must not be any individual solicitation of employees either to participate in the plan or to elect to participate in the portion that utilizes the separate account rather than in other aspects of the plan. Second, the employer must make a "substantial contribution" to the overall pension and profit-sharing program of which the contract participating in the separate account is a part. Each of these conditions is described more fully below.

The first condition is set forth in subparagraphs (b)(1) and (b)(2). It is recognized, of course, that employees who are offered an opportunity to make contributions under a retirement program must be told about the plan and about the terms and nature of their participation. Booklets describing the plan may be distributed by the employer or the insurance company. Regular employees of the employer, in its labor relations, personnel, or comparable divisions may meet with employees either in groups or singly, to discuss and explain the plan and to make whatever recommendations are thought appropriate. Where a pension consultant has been retained by the employer, he may participate in this activity.

It is common practice, when a retirement plan is first established or a significant change made, or new features added, to provide oral explanations to groups of employees at meetings arranged for that purpose. Representatives of the insurance company or, where an independent broker has participated in the sale of the contract, representatives of the broker, may appear at and participate in such meetings. If the provisions of subparagraph (b) are to be available, these representatives must be salaried employees and may not receive commissions based upon the extent of participation under the separate account contract. Such representatives may not, however, engage in discussions with individual employees for the purpose of inducing participation in or explaining the plan. Nor may the employer engage anyone for the purpose of inducing participation.

The "substantial contribution" condition is set forth in subparagraph (b)(3). The employer must make a contribution under the program, of which the plan funded by the separate account contract is a part, that can be expected, over the life of the plan, to be at least one-half that made by the employees. Because employers enjoy considerable flexibility in determining the amount and timing of their contributions under qualified pension and profit-sharing plans, demonstration of satisfaction of this condition presents certain difficulties. For this reason the test set forth in subparagraph (b)(3) has been included.

It should be noted that the amended rule would continue to provide an exemption only from section 5 of the Securities Act and would not, therefore, afford any exemption from the antifraud sections of the Securities Act.

I. The text of proposed Rule 6e–1 (17 CFR 270.6e–1) under the Investment Company Act reads as follows:

§ 270.6e–1 Exemption for certain separate accounts of insurance companies.

(a) A separate account which issues only interests or participations in a fund of securities, pursuant to contracts made in connection with pension or profit-sharing plans which meet the requirements either for qualification under section 401 of the Internal Revenue Code or for deduction of the employer's contributions under section 404(a)(2) of said Code, shall, except for the following sections of the Act, be subject to all provisions of the Act as though such separate account were a registered open-end investment company:

(1) Section 7 of the Act;

(2) Section 8 of the Act except to the extent made applicable by paragraph (b) of this section;

(3) Section 9 of the Act but only to the extent that a company shall not be subject to the restrictions of section 9(a)(3) of the Act by virtue of the status of persons who do not participate in any way in the operations of or sales of interests in the separate account;

(4) Section 10 of the Act but not paragraph (f) thereof;

(5) Section 13(a) of the Act provided that the Commission is notified in writing at least 60 days prior to any proposed change in investment policy, and the Commission does not in its discretion within 30 days of receipt of such notice condition or limit, in respect of the proposed change in investment policy, the exemption otherwise provided by this section;

(6) Section 14(a) of the Act provided the insurance company of which the separate account is a part shall have (i) a combined capital and surplus, if a stock company, or (ii) an unassigned surplus, if a mutual company, of not less than $1 million at the time of the filing of the notification provided for by paragraph (b)(1) of this section;

(7) Section 15 of the Act;

(8) Section 16 of the Act;

(9) Section 17(d) of the Act to the extent necessary to permit contemporaneous purchases or contemporaneous sales on behalf of the separate account and other separate accounts and the general account of the insurance company of the same class or series of securities of the same issuer;

(10) Section 17(f) of the Act;

(11) Section 18(i) of the Act;

(12) Section 19 of the Act;

(13) Section 20 (a) and (b) of the Act;

(14) Section 22 of the Act other than paragraphs (c) and (g) thereof;

(15) Section 24 of the Act;

(16) Section 27(c) of the Act;

(17) Sections 30 and 31(a) of the Act except as provided by paragraph (b) of this section 270.6e–1; and

(18) Section 32 (a) and (b) of the Act.

(b) Any insurance company which maintains or proposes to maintain a separate account with respect to which exemption from registration under this section is claimed shall:

(1) File with the Commission, within 30 days after the effective date of this section or within 30 days after the establishment of such separate account, whichever is later, a notification on

Form N–6E–1 (§ 274.301 of this chapter) which identifies such separate account.

(2) File with the Commission, a report on Form N–6E–2 (§ 274.107 of this chapter) within 3 months after filing the notification referred to above: *Provided*, That if the fiscal year of the separate account ends within this 3-month period, the Form N–6E–2 report may be filed within 3 months after the end of such fiscal year.

(3) File with the Commission, such annual and other reports and shall maintain such records with respect to such separate account as the Commission shall prescribe by rules pursuant to sections 30 and 31 of the Act as appropriate in view of the character of the separate account and its operations and as necessary or appropriate in the public interest or for the protection of investors: *Provided*, That, except as may otherwise be provided in either such rules or in this § 270.6e–1 or in the forms for reports prescribed by the Commission, the provisions of Regulation 8B (§§ 270.8b–1 et seq. of this chapter) under the Act shall be applicable. Records required to be maintained pursuant to such rules shall be subject to the requirements of section 31(b) of the Act.

(4) In the case of a contract that provides for the allocation of contributions to the separate account in connection with a pension or profit-sharing plan that provides for employee benefits which may vary to reflect the investment results of the separate account, such insurance company shall deliver to every employer to which such a contract has been issued a copy of a statement in writing setting forth, to the extent applicable, (i) that the benefits to be received by the employees will not be paid in any fixed dollar amount, and will vary to reflect the investment experience of the separate account; (ii) that the investments held in the separate account will include common stocks and other equity investments which may be changed from time to time; and (iii) the essential features of the procedure to be followed by the insurance company in determining the dollar amount of such variable benefits. The insurance company shall recommend to the employer that such statement should be transmitted to covered employees, and file such statement with the Commission within 10 days after delivery to any employer, and

(5) File with the Commission, within 10 days after delivery to an employer, a copy of every document, or portion thereof, relating to the separate account or the interests or participations therein that has been furnished by the insurance company to an employer for transmission or which may reasonably be expected to be transmitted to employees;

(c) A separate account shall be entitled to the exemptions provided by paragraph (a) of this section only if:

(1) The separate account is a legally segregated asset account, the assets of which have a value at least equal to the reserves and other contract liabilities with respect to such account, and that portion of such assets, which has a value equal to the reserves and other contract liabilities of such account, is not chargeable with liabilities arising out of any other business which the insurance company may conduct; provided that this condition need not be satisfied until 6 months after the effective date of this section.

(2) Any contract which provides for allocation of contributions to the separate account, authorizes the contract holder to direct that assets held in the separate account applicable to the contract (other than amounts which, pursuant to the contract, have been allocated to provide retirement benefits to individual employees) be withdrawn or transferred, although such contract may (i) limit the amount that may be transferred in any one month to the greater of (*a*) $1 million or (*b*) 5 percent of the value of the contract holder's interest in the separate account at the time the original request for withdrawal or transfer is made and (ii) impose a surrender charge not to exceed 2 percent of the amount transferred, provided that a surrender charge in excess of 2 percent of the amount transferred may be imposed if the sales load and surrender charge, in the aggregate, do not exceed 6 percent.

(d) "Separate account," as used in this section 270.6e–1 shall mean a fund established and maintained by an insurance company pursuant to the law of any State or territory of the United States or the District of Columbia, under which income, gains, and losses, whether or not realized, from assets allocated to such fund, are, in accordance with the applicable contract, credited to or charged against such fund without regard to other income, gains, or losses of the insurance company.

(e) "Insurance company," as used in this section shall have the same meaning as that prescribed in section 2(a)(17) of the Act.

II. The text of the proposed amended Rule 156 (17 CFR 230.156) under the Securities Act reads as follows:

§ 230.156 Definition of "transactions by an issuer not involving any public offering" in section 4(2) of the Act and of "sale," "offer," "offer to sell," and "offer for sale" for purposes of section 5 of the Act, in connection with separate accounts exempted by § 270.3c–3 or § 270.6e–1 of this chapter.

(a) The phrase "transactions by an issuer not involving any public offering" in section 4(2) of the Act shall include any transaction with an employer, employers or persons acting on their behalf (herein called the "employer") whereby an insurance company offers, pursuant to a contract, interests or participations in a separate account, which meets the conditions and limitations set forth in § 270.3c–3 or § 270.6e–1 of this chapter: *Provided*, That:

(1) Such contract is negotiated with such employer for the benefit of at least 25 employees, provided further that, in the case of a contract which covers self-employed individuals and owner-employees some or all of whom are employees within the meaning of section 401(c) of the Internal Revenue Code, each partnership or sole proprietor employs at least 25 employees including such self-employed individuals and owner-employees; and

(2) Such contract is not advertised in any written communication which, insofar as it relates to interests or participations in a separate account, does more than identify the insurance company, state that it is engaged in the business of writing such contracts, sets forth a brief description of the nature of the separate account and of the basic provisions of the contract, and invites inquiries in regard thereto. The limitations of this clause shall not apply to disclosure made in the course of direct discussion or negotiation of such contract.

(b) For purposes only of section 5 of the Act, no "sale," "offer," "offer to sell," or "offer for sale" shall be deemed to be involved so far as an employee is concerned (whether or not there is a public offering to the employer), where allocations of employee contributions are made to a separate account entitled to the exemptions provided by § 270.6e–1 of this chapter pursuant to a contract which meets the conditions and limitations set forth in subparagraph (1) of paragraph (a) of this section: *Provided*, That:

(1) The employer does not engage any person for the purpose of inducing employees to participate under such contract or in a plan based on such contract or of inducing any elections on the part of employees under such contract or in such plan; and

(2) Any solicitation of individual employees by or on behalf of the insurance company is limited to discussions with the employer and to furnishing the employer with explanatory documents as required or contemplated by § 270.6e–1 of this chapter, or giving oral explanations, including answering of questions, at meetings of groups of employees arranged by the employer and no commissions are paid to the persons responsible for drafting the explanatory documents or for inducing any election on the part of the employee; and

(3) The employer makes a substantial contribution to the overall pension and profit-sharing program of which the contract is a part. An employer's contribution shall be deemed "substantial," as used in this section if the overall pension and profit-sharing program applicable to the employees covered by the program can be reasonably expected to provide for a contribution by the employer, over a period for which the program may reasonably be expected to be in operation, which in the aggregate is at least half as much as the contributions made by the employees. The foregoing requirement shall be deemed to have been satisfied if the employer has in the preceding 5 fiscal years, or since the inception of the program, if less than such 5 years, contributed in the aggregate at least half as much under such program as have the employees and the basis for determining contributions has not been changed since such past contributions were made to re-

duce the employer's anticipated contributions. At the inception of a program and at any time thereafter, notwithstanding that the aggregate contributions by the employer during such 5-year (or shorter) period do not amount to at least half as much under such program as was contributed by the employees, or that the basis for determining contributions has changed, a written certificate by a member of the American Academy of Actuaries, prepared in accordance with generally accepted actuarial standards, stating that the employer's contribution can reasonably be expected to be at least half as much as contributions to be made by the employees over a period for which the plan may reasonably be expected to be in operation and stating the basis thereof, shall be prima facie evidence of satisfaction of the requirement of this subparagraph at that time and for the ensuing year. A copy of each such certificate shall be filed with the Commission as an exhibit to the notification or report next following such certificate, filed pursuant to paragraph (b) of § 270.6e–1 of this chapter.

(Secs. 4, 19, 48 Stat. 77, 85, as amended, 15 U.S.C. 77d, 77s; secs. 6, 38(a), 54 Stat. 800, 841, 15 U.S.C. 80a–6, 80a–37)

All interested persons are invited to submit views and comments on proposed Rule 6e–1 under the Investment Company Act and the proposed amendment to Rule 156 under the Securities Act. Written statements of views and comments in respect of the proposed rule and the proposed amendment should be submitted to the Securities and Exchange Commission, Washington, D.C. 20549 on or before April 8, 1969. All such communications will be available for public inspection.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

MARCH 6, 1969.

[F.R. Doc. 69–2909; Filed, Mar. 7, 1969; 8:50 a.m.]

Notices

ATOMIC ENERGY COMMISSION

[Docket No. 27-45]

X-RAY INDUSTRIES, INC.

Notice of Issuance of Byproduct Material License

No request for a hearing or petition for leave to intervene having been filed following publication of the notice of proposed issuance of Byproduct Material License, the Atomic Energy Commission has this date issued License No. 21-5472-3 authorizing X-Ray Industries, Inc., to receive and possess packaged waste byproduct material in any State of the United States except in Agreement States, as defined in § 30.4(c), 10 CFR Part 30, to store the packages at its facility located at 18721 John R Street, Detroit, Mich., and to dispose of the packaged waste byproduct material by transfer to authorized land burial sites. The license is in the form set forth in the notice of proposed issuance published in the FEDERAL REGISTER on February 4, 1969, 34 F.R. 1702.

Dated at Bethesda, Md., on March 4, 1969.

For the Atomic Energy Commission.

J. A. McBRIDE,
Director,
Division of Materials Licensing.

[F.R. Doc. 69-2837; Filed, Mar. 7, 1969; 8:48 a.m.]

SECURITIES AND EXCHANGE COMMISSION

TEXAS URANIUM CORP.

Order Suspending Trading

MARCH 4, 1969.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Texas Uranium Corp., Salt Lake City, Utah, being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors;

It is ordered, Pursuant to section 15 (c)(5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period March 5, 1969, through March 14, 1969, both dates inclusive.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 69-2818; Filed, Mar. 7, 1969; 8:46 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

DEPUTY AREA DIRECTOR, ANADARKO AREA OFFICE, OKLA.

Redelegation of Authority

1. The Deputy Area Director, Bureau of Indian Affairs, Anadarko Area Office, Anadarko, Okla., is hereby authorized to exercise all the power and authority of the Area Director of the Anadarko Area Office as delegated by the Commissioner of Indian Affairs in line with Secretarial Order No. 2508 and as provided in 10 BIAM 3.

2. In the absence of the Area Director and the Deputy Area Director, persons authorized to act in their stead may exercise any and all authority conferred upon the Area Director by the Commissioner of Indian Affairs.

3. Delegation of authority included herein is not construed as depriving the Area Director of the authority conferred upon him by the Commissioner of Indian Affairs.

4. The effective date of this delegation will be the date of signature by the Area Director.

SIDNEY M. CARNEY,
Area Director, Bureau of Indian Affairs, Anadarko Area Office, Anadarko, Okla.

FEBRUARY 24, 1969.

[F.R. Doc. 69-2812; Filed, Mar. 7, 1969; 8:45 a.m.]

DEPUTY AREA DIRECTOR, MUSKOGEE AREA OFFICE, OKLA.

Redelegation of Authority

1. The Deputy Area Director, Bureau of Indian Affairs, Muskogee Area Office, is hereby authorized to exercise all the power and authority of the Area Director of the Muskogee Area Office, as delegated by the Commissioner of Indian Affairs in 10 BIAM 3.

2. The effective date of this delegation is the date of signature by the Area Director.

Dated: February 27, 1969.

VIRGIL N. HARRINGTON,
Area Director.

[F.R. Doc. 69-2813; Filed, Mar. 7, 1969; 8:46 a.m.]

Bureau of Land Management

[A 3552]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Land

The Forest Service, U.S. Department of Agriculture has filed an application, Serial No. A 3552, for the withdrawal of lands under the Act of July 9, 1962 (76 Stat. 140; 43 U.S.C. 315g-1).

Subject to valid existing rights the following described lands, acquired in an exchange made pursuant to section 8 of the Taylor Grazing Act of June 28, 1934 (48 Stat. 1272; 43 U.S.C. 315g) as amended, would be added to and made a part of the Sitgreaves National Forest and would be subject to all laws and regulations applicable to said national forest:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 13 N., R. 13 E.,
Sec. 5, lots 1, 2, 3, 4, S½N½, and S½;
Sec. 25, SE¼SW¼ and SE¼;
Sec. 31, lots 1 to 14 inclusive, NE¼, and N½SE¼.

The areas described aggregate approximately 1,603 acres in Coconino County.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal, may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 3022 Federal Building, Phoenix, Ariz. 85025.

If circumstances warrant it, a public hearing will be held at a convenient time and place which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

Dated: February 28, 1969.

RILEY E. FOREMAN,
Acting State Director.

[F.R. Doc. 69-2814; Filed, Mar. 7, 1969; 8:46 a.m.]

[A 3535]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Bureau of Reclamation, Department of the Interior, has filed an application, Serial No. A 3535, for withdrawal of the lands described below, from all forms of entry or disposition including the mining; but not the mineral leasing laws.

The Bureau of Reclamation desires these lands for the implementation and construction of the Buttes Dam and Reservoir for the Colorado River Basin Project, part of the Central Arizona Project.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal, may present their views in writing to the undersigned officer of the Bureau of Land

Management, Department of the Interior, 3022 Federal Building, Phoenix, Ariz. 85025.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are as follows:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 4 S., R. 11 E.,
Sec. 18, lots 1, 2, 3, and 4, E½W½ and E½.
T. 4 S., R. 13 E.,
Sec. 9, lot 1261B (MS), excepting Mineral Patent No. 29747.

The total areas of lands involved aggregate approximately 646.60 acres.

Dated: February 28, 1969.

RILEY E. FOREMAN,
Acting State Director.

[F.R. Doc. 69-2815; Filed, Mar. 7, 1969; 8:46 a.m.]

National Park Service

[Order 1]

ADMINISTRATIVE OFFICER ET AL.

Delegation of Authority Regarding Execution of Contracts and Purchase Orders for Supplies, Equipment, or Services

1. *Administrative Officer.* The Administrative Officer, Boston National Park Service Group, may execute, approve, and administer contracts not in excess of $10,000 for supplies, equipment, or services in conformity with applicable regulations and statutory authority and subject to the availability of appropriations. This authority may be exercised by the Administrative Officer in behalf of any unit under the administration of the Boston National Park Service Group.

2. *Revocation.* This order supersedes Order No. 1 issued March 25, 1963, for Minute Man National Historical Park Project, and Order No. 1 issued March 25, 1963, for Salem Maritime National Historic Site.

(National Park Service Order No. 34 (31 F.R. 4255), as amended; 39 Stat. 535, 16 U.S.C., sec. 2; Northeast Region Order No. 5 (31 F.R. 8135))

Dated: February 6, 1969.

BENJAMIN J. ZERBEY,
General Superintendent, Boston National Park Service Group.

[F.R. Doc. 69-2816; Filed, Mar. 7, 1969; 8:46 a.m.]

Office of the Secretary

NATIVE FISH AND WILDLIFE

List of Endangered Species

In accordance with section 1(c) of the Endangered Species Preservation Act of October 15, 1966 (80 Stat. 926; 16 U.S.C. 668aa(c)), I find, after consulting with the States, interested organizations, and individual scientists, that the following listed native fish and wildlife are threatened with extinction:

MAMMALS

Indiana Bat	*Myotis sodalis.*
Utah Prairie Dog	*Cynomys parvidens.*
Delmarva Peninsula Fox Squirrel	*Sciurus niger cinereus.*
Eastern Timber Wolf	*Canis lupus lycaon.*
Texas Red Wolf	*Canis rufus rufus.*
San Joaquin Kit Fox	*Vulpes macrotis mutica.*
Black-footed Ferret	*Mustela nigripes.*
Florida Panther	*Felis concolor coryi.*
Caribbean Monk Seal	*Monachus tropicalis.*
Guadalupe Fur Seal	*Arctocephalus philippi townsendi.*
Florida Manatee or Florida Sea Cow	*Trichechus manatus latirostris.*
Key Deer	*Odocoileus virginianus clavium.*
Columbian White-tailed Deer	*Odocoileus virginianus leucurus.*
Sonoran Pronghorn	*Antilocapra americana sonoriensis.*

BIRDS

Hawaiian Dark-rumped Petrel	*Pterodroma phaeopygia sandwichensis.*
California Least Tern	*Sterna albifrons browni.*
Hawaiian Goose (Nene)	*Branta sandvicensis.*
Aleutian Canada Goose	*Branta canadensis leucopareia.*
Tule White-fronted Goose	*Anser albifrons gambelli.*
Laysan Duck	*Anas laysanensis.*
Hawaiian Duck (or Koloa)	*Anas wyvilliana.*
Mexican Duck	*Anas diazi.*
California Condor	*Gymnogyps californianus.*
Florida Everglade Kite (Florida Snail Kite)	*Rostrhamus sociabilis plumbeus.*
Hawaiian Hawk (or Io)	*Bueto solitarius.*
Southern Bald Eagle	*Haliaeetus l. leucocephalus.*
American Peregrine Falcon	*Falco peregrinus anatum.*
Attwater's Greater Prairie Chicken	*Tympanuchus cupido attwateri.*
Masked Bobwhite	*Colinus virginianus ridgwayi.*
Whooping Crane	*Grus Americana.*
Yuma Clapper Rail	*Rallus longirostris yumanensis.*
Light-footed Clapper Rail	*Rallus longirostris levipes.*
Hawaiian Gallinule	*Gallinula chloropus sandvicensis.*
Hawaiian Coot	*Fulica americana alai.*
Eskimo Curlew	*Numenius borealis.*
Hawaiian Stilt	*Himantopus himantopus knudseni.*
Puerto Rican Plain Pigeon	*Columba inornata wetmorei.*
Puerto Rican Parrot	*Amazona vittata.*
American Ivory-billed Woodpecker	*Campephilus p. principalis.*
Northern Red-cockaded Woodpecker	*Dendrocopus b. borealis.*
Southern Red-cockaded Woodpecker	*Dendrocopus borealis hylonomus.*
Hawaiian Crow (or Alala)	*Corvus tropicus.*
Small Kauai Thrush (Puaiohi)	*Phaeornia palmeri.*
Nihoa Millerbird	*Acrocephalus kingi.*
Kauai Oo (or Oo Aa)	*Moho braccatus.*
Crested Honeycreeper (or Akohekohe)	*Palmeria dolei.*
Molokai Creeper (or Kakawahie)	*Loxops maculata flammea.*
Akiapolaau	*Hemignathus wilsoni.*
Kauai Akialoa	*Hemignathus procerus.*
Kauai Nukupuu	*Hemignathus lucidus hanapepe.*
Maui Nukupuu	*Hemignathus lucidus affinis.*
Laysan Finch	*Psittirostra c. cantans.*
Nihoa Finch	*Psittirostra cantans ultima.*
Ou	*Psittirostra psittacea.*
Palila	*Psittirostra bailleui.*
Maui Parrotbill	*Pseudonestor xanthophrys.*
Bachman's Warbler	*Vermivora bachmanii.*
Kirtland's Warbler	*Dendroica kirtlandii.*
Dusky Seaside Sparrow	*Ammospiza nigrescens.*
Cape Sable Sparrow	*Ammospiza mirabilis.*

REPTILES AND AMPHIBIANS

American Alligator	*Alligator mississippiensis.*
Blunt-nosed Leopard Lizard	*Crotaphytus wislizenii silus.*
San Francisco Garter Snake	*Thamnophis sirtalis tetrataenia.*
Puerto Rican Boa	*Epicrates inornatus.*
Santa Cruz Long-toed Salamander	*Ambystoma macrodactylum croceum.*
Texas Blind Salamander	*Typhlomolge rathbuni.*
Black Toad, Inyo County Toad	*Bufo exsul.*
Houston Toad	*Bufo houstonensis.*

FISHES

Shortnose Sturgeon	*Acipenser brevirostrum.*
Longjaw Cisco	*Coregonus alpenae.*
Piute Cutthroat Trout	*Salmo clarki seleniris.*
Greenback Cutthroat Trout	*Salmo clarki stomias.*
Montana Westslope Cutthroat Trout	*Salmo clarki.*
Gila Trout	*Salmo gilae.*
Arizona (Apache) Trout	*Salmo* sp.
Desert Dace	*Eremichthys acros.*
Humpback Chub	*Gila cypha.*
Moapa Dace	*Moapa coriacea.*
Colorado River Squawfish	*Ptychocheilus lucius.*
Cui-ui	*Chasmistes cujus.*
Devils Hole Pupfish	*Cyprinodon diabolis.*
Comanche Springs Pupfish	*Cyprinodon elegans.*
Owens River Pupfish	*Cyprinodon radiosus.*
Pahrump Killifish	*Empetrichythys latos.*
Big Bend Gambusia	*Gambusia gaigei.*
Clear Creek Gambusia	*Gambusia heterochir.*
Gila Topminnow	*Poeciliopsis occidentalis.*
Maryland Darter	*Etheostoma sellare.*
Blue Pike	*Stizostedion vitreum glaucum.*

FEBRUARY 17, 1969.

WALTER J. HICKEL,
Secretary of the Interior.

[F.R. Doc. 69-2811; Filed, Mar. 7, 1969; 8:45 a.m.]

Southeastern Power Administration

ADMINISTRATIVE OFFICER AND ADMINISTRATIVE ASSISTANT, OFFICE OF THE ADMINISTRATOR

Delegation of Authority With Respect to Entering Into Certain Contracts for Supplies or Services

1. The Administrative Officer, Office of the Administrator, may exercise the authority delegated to the Administrator under Chapter 205 DM 11 of the Departmental Manual with respect to:

Entering into contracts for supplies or services (excepting personal services) in conformity with applicable regulations and statutory requirements and subject to the availability of appropriations when the amount involved is not in excess of $2,500.

2. The authority delegated under paragraph 1 hereof may be exercised by the Administrative Assistant, Office of the Administrator, when the amount involved is not in excess of $1,000.

3. This notice supersedes the delegation of authority dated October 29, 1962 (27 F.R. 10862).

CHAS. W. LEAVY,
Administrator

FEBRUARY 25, 1969.

[F.R. Doc. 69-2817; Filed, Mar. 7, 1969; 8:46 a.m.]

DEPARTMENT OF COMMERCE

Business and Defense Services Administration

NATIONAL INSTITUTES OF HEALTH

Notice of Decision on Application for Duty-Free Entry of Scientific Article

The following is a decision on an application for duty-free entry of a scientific article pursuant to section 6(c) of the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651, 80 Stat. 897) and the regulations issued thereunder (32 F.R. 2433 et seq.).

A copy of the record pertaining to this decision is available for public review during ordinary business hours of the Department of Commerce, at the Scientific Instrument Evaluation Division, Department of Commerce, Washington, D.C.

Docket No. 69-00224-33-46040. Applicant: National Institutes of Health, 9000 Rockville Pike, Bethesda, Md. 20014. Article: Electron microscope, Model Elmiskop 101, spare parts and accessory. Manufacturer: Siemens AG, West Germany. Intended use of article: The article will be used for studies centered around mutant strains of simian virus-40 and polyoma virus. Temperature sensitive and host range mutants have been isolated and a large number of additional mutants will be obtained. The primary sequence of nucleic acid in wild and mutant strains of virus-40 and polyoma virus is being investigated. The biological properties of these viruses will also be investigated with the aim of correlating specific changes in the nucleic acid with phenotypic changes. One of the major approaches in characterizing the mutant viruses will be electron microscopic examination of cells that have been infected at the restrictive temperature or during an infectious cycle with a restrictive host. Comments: No comments have been received with respect to this application. Decision: application approved. No instrument or apparatus of equivalent scientific value to the foreign article, for the purposes for which such article is intended to be used, was being manufactured in the United States at the time the applicant placed the order for the foreign article (June 19, 1968). Reasons: (1) The foreign article has a guaranteed resolving power of 3.5 angstroms. The only known comparable domestic instrument which was available prior to July 1, 1968, was the Model EMU-4 electron microscope manufactured by the Radio Corporation of America (RCA). The RCA Model EMU-4 had a guaranteed resolution of 8 angstroms. (The lower the numerical rating in terms of angstroms, the better the resolving capabilities.) For the purposes for which the foreign article is intended to be used, the highest possible resolving power must be utilized. Therefore, the additional resolving capabilities of the foreign article are pertinent. (2) The foreign article provides accelerating voltages of 40, 60, 80, and 100 kilovolts, whereas the RCA Model EMU-4 provided only 50- and 100-kilovolt accelerating voltages. It has been experimentally established that the lower accelerating voltage of the foreign article offers optimum contrast for thin unstained biological specimens and that the voltage intermediate between 50 and 100 kilovolts affords optimum contrast for negatively stained specimens. The research program with which the foreign article is intended to be used involves experiments on both unstained and negatively stained specimens.

Therefore, the additional accelerating voltages provided by the foreign article are pertinent. For these reasons, we find that the RCA Model EMU-4 was not of equivalent scientific value to the foreign article for the purposes for which such article is intended to be used.

The Department of Commerce knows of no other instrument or apparatus of equivalent scientific value to the foreign article, for such purposes as this article is intended to be used, which was being manufactured in the United States and available at the time the applicant placed the order for the foreign article.

CHARLEY M. DENTON,
Assistant Administrator for Industry Operations, Business and Defense Services Administration.

[F.R. Doc. 69-2804; Filed, Mar. 7, 1969; 8:45 a.m.]