the titanium strap(s), P/N 9958154–17 and/or 18, with a new steel strap(s), P/N 5917717–3 and/or 4, using new larger diameter interference fit fasteners in accordance with the instructions specified in Douglas Service Bulletin 54–27, dated March 3, 1972, or later FAA-approved revisions. Upon accomplishment of the above rear spar upper cap and strap modification specified in S/B 54–27, the inspections required in paragraph A and B may be discontinued.

NOTE: Prior to installation of the new steel strap(s) P/N 5917717–3 and/or 4 per Service Bulletin, 54–27, determine by radiographic inspection methods specified in Douglas AOL 9–666 or other FAA-approved equivalent inspection means (visual inspection is not considered satisfactory) that the existing (retained) steel cap is not cracked and shows no other signs of damage.

If cracks are found as a result of the radiographic inspections, before further flight, replace the cracked parts as specified in paragraph 6(b) and accomplish the inspections in accordance with the instructions in 7.a, 7.b, and 7.c, as applicable.

This supersedes Amendment 39–1418 (37 F.R. 6380), AD 72–7–6.

This amendment becomes effective April 25, 1972.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1959, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Los Angeles, Calif., on April 12, 1972.

ROBERT O. BLANCHARD,
Acting Director,
FAA Western Region.

[FR Doc.72–6156 Filed 4–21–72;8:46 am]

[Airspace Docket No. 71–SO–170]

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

Alteration of Transition Area

On February 16, 1972, a notice of proposed rule making was published in the FEDERAL REGISTER (37 F.R. 3441) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the Miami, Fla., transition area.

Interested persons were afforded an opportunity to participate in the proposed rule making through the submission of comments. All comments received were favorable.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0901 G.m.t., June 22, 1972, as hereinafter set forth.

Section 71.181 (37 F.R. 2143) is amended as follows: In the Miami, Fla., transition area the phrase "(latitude 26°11'41" N., longitude 80°10'15" W.)" is deleted and the phrase "(latitude 26°11'41" N., longitude 80°10'15" W.); within a 6.5-mile radius of Pompano Beach Airpark (latitude 26°15'00" N., longitude 80°06'30" W.), and within 3 miles each side of the Pompano Beach VOR (latitude 26°14'52" N., longitude 80°06'32" W.) 319° radial, extending from the 6.5-mile radius area to 8.5 miles northwest of the VOR." is substituted therefor.

(Sec. 307(a), 1110, Federal Aviation Act of 1958, 49 U.S.C. 1348(a), 1510, Executive Order 10854, 24 F.R. 9565; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on April 18, 1972.

ROBERT G. CARNAHAN,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.72–6157 Filed 4–21–72;8:46 am]

[Airspace Docket No. 72–RM–4]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Area

The purpose of this amendment to Part 73 of the Federal Aviation Regulations is to alter the "time of designation" of R–6413, Green River, Utah.

Due to an extension of the firing period for the Pershing Missile from R–6413, Green River, Utah, the Department of the Air Force has requested the effective period be extended to July 31, 1972.

In the notice of proposed rule making published in the FEDERAL REGISTER (36 F.R. 1911) of February 3, 1971, Airspace Docket No. 70–WE–93, it was stated that: "Each successive period would be designated by rule published in the FEDERAL REGISTER," therefore, further notice and public procedure hereon are unnecessary.

In consideration of the foregoing, Part 73 of the Federal Aviation Regulations is amended, effective upon publication (4–22–72), as hereinafter set forth.

In § 73.64 (37 F.R. 2373, 437) the Green River, Utah, Restricted Area R–6413, is amended as follows: In the time of designation, "June 30, 1972," is deleted and "July 31, 1972," is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958, 49 U.S.C. 1348(a), sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on April 18, 1972.

ROBERT G. CARNAHAN,
Acting Chief, Airspace and Air Traffic Rules Division.

[FR Doc.72–6158 Filed 4–21–72;8:46 am]

Title 22—FOREIGN RELATIONS

Chapter I—Department of State

[Dept. Reg. 108.659]

PART 41—VISAS: DOCUMENTATION OF NONIMMIGRANTS UNDER THE IMMIGRATION AND NATIONALITY ACT, AS AMENDED

Nonimmigrant Documentary Waivers

Part 41, Chapter I, Title 22 of the Code of Federal Regulations is amended to enable British subjects who are residents of the Turks and Caicos Islands to enter the United States without visas under certain circumstances.

The heading and the last sentence of paragraph (a) of § 41.6 are amended to read as follows:

§ 41.6 Nonimmigrants not required to present passports, visas, or border crossing identification cards.

* * * * *

(a) *Canadian nationals, and aliens having a common nationality with nationals of Canada or with British subjects in Bermuda, the Bahamas, Cayman Islands, and Turks and Caicos Islands.* * * * A visa shall not be required of a British subject who has his residence in, and arrives directly from, the Cayman Islands or the Turks and Caicos Islands and who presents a current certificate from the Clerk of Court of the Cayman Islands or the Turks and Caicos Islands indicating no criminal record.

* * * * *

Effective date. The amendments to the regulations contained in this order shall become effective upon publication in the FEDERAL REGISTER (4–22–72).

The provisions of the Administrative Procedure Act (80 Stat. 383; 5 U.S.C. 553) relative to notice of proposed rule making are inapplicable to this order because the regulations contained herein involve foreign affairs functions of the United States.

(Sec. 104, 66 Stat. 174; 8 U.S.C. 1104)

For the Secretary of State.

BARBARA M. WATSON,
Administrator, Bureau of Security and Consular Affairs, Department of State.

MARCH 31, 1972.

RAYMOND F. FARRELL,
Commissioner of Immigration and Naturalization, Immigration and Naturalization Service, Department of Justice.

APRIL 13, 1972.

[FR Doc. 72–6225 Filed 4–21–72;8:51 am]

Title 23—HIGHWAYS

Chapter I—Federal Highway Administration, Department of Transportation

PART 1—ADMINISTRATION OF FEDERAL-AID FOR HIGHWAYS

Highway Beautification: Outdoor Advertising

On April 4, 1972, the Federal Highway Administration (FHWA) published Policy and Procedure Memorandum (PPM) 80–5.2, Highway Beautification: Outdoor Advertising.

PPM 80–5.2 prescribes the policies and procedures adopted by the FHWA for administering certain of the outdoor advertising control provisions of the Highway Beautification Act of 1965, 23 U.S.C. section 131. It is being issued after coordination by the FHWA with the several State highway departments, the American Association of State Highway Officials and representatives of segments of the outdoor advertising industry.

The PPM defines control areas and zoning, acceptable conforming signs, and

sets forth the requirements for Federal participation in the cost of acquiring the property interests necessary for removing nonconforming advertising signs, displays, and devices from the controlled areas of the interstate and primary systems. Its purpose is to provide a framework of simplified requirements which will permit a State to develop its own procedures to remove outdoor advertising signs in an efficient and expeditious manner. The PPM suggests the use of various simplified methods for valuing signs, sign sites, and interests therein which will be acceptable as bases for Federal participation under 23 U.S.C. 131(g), and it sets forth the procedures to be followed by the States for effecting the removal of the nonconforming signs, displays and devices.

The PPM supersedes paragraph 4b(2), 5, 8b(1), 8c(1), and Appendix E, of PPM 80-9, and other references and provisions relating to outdoor advertising signs in PPM 80-9.

The PPM as published herein is identical with the issuance of April 4, 1972.

This amendment is issued under the authority of 23 U.S.C. 101 et seq., 116, 123, 315, and the delegation of authority in § 1.48(b) of the regulations of the Office of Secretary, 35 F.R. 3949 (1970).

In view of the foregoing, Part 1 of Title 23 of the Code of Federal Regulations is amended by adding PPM 80-5.2 at the end of Appendix A, "Policy and Procedure Memoranda."

Issued: In Washington on April 19, 1972.

F. C. TURNER,
Federal Highway Administrator.

POLICY AND PROCEDURE MEMORANDUM 80-5.2

1. *Material transmitted.* PPM 80-5.2 Highway Beautification Outdoor Advertising.

2. *Existing issuances affected.* a. In a planned revision of the right-of-way PPM's, the entire 80-Series is being renumbered, and will be reissued in chapter form. New PPM 80-5 will cover the Highway Beautification Act of 1965. The attached PPM 80-5.2, Outdoor Advertising, is the first material to be issued under the new series.

b. In the meantime, paragraph 1, property management; paragraph 2, Disposition (and relinquishment); the portion of paragraph 4, Air Rights, relating to acquisition in limited vertical dimension; and Attachment No. 1 of PPM 80-5 issued under Transmittal 91, dated April 20, 1967, and Transmittal 112, dated December 27, 1967, remain in effect and should not be discarded until further notice. Paragraph 3 and portions of paragraph 4 have previously been superseded.

c. The attached issuance supersedes paragraphs 4b(2), 5, 8b(1), 8c(1), and Appendix E, of PPM 80-9, and other references and provisions relating to outdoor advertising signs in PPM 80-9.

3. *Effective date.* The provisions of PPM 80-5.2 are effective immediately.

F. C. TURNER,
Federal Highway Administrator.

Par. *Item*

1. Purpose.
2. Effective date and applicability.
3. Definitions.
4. State policies and procedures requirements.
5. Control area and zoning.
6. Bonus States.
7. Acceptable conforming signs.
8. Federal participation.
9 Payment to sign and site owners.
10. Program and authorization.
11. Valuation methods.
12. Valuation of sites.
13. Valuation of signs.
14. Review of estimates.
15. Negotiations.
16. Documentation for Federal participation.
17. Reports.

ATTACHMENT 1—SIGN AND SITE VALUATION FORMULA AND SCHEDULE GUIDE

1. *Purpose.* To prescribe the Federal Highway Administration policies and procedures relating to Federal participation in the costs of acquiring the property interests necessary for removal of nonconforming advertising signs, displays and devices under section 131 of title 23, United States Code, as amended by title I of the Highway Beautification Act of 1965.

The purpose of these policies and procedures is to provide a framework of simplified requirements within which a State may develop its procedures to remove outdoor advertising signs in an efficient and expeditious manner.

This policy and procedure memorandum should not be construed to authorize any additional rights in eminent domain not already existing under State law or under 23 U.S.C. 131(g).

2. *Effective date and applicability.* a. The provisions of this memorandum are effective immediately.

b. The provisions of this memorandum are applicable to all highway outdoor advertising projects on the Federal-aid Primary and Interstate Systems regardless of whether Federal funds participated in the construction thereof.

c. The provisions of title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 do not apply to the Highway Beautification Act of 1965 as related to the sign removal program. Title III of said Act applies. However, where complete conformity would defeat the purposes of the Uniform Act and the sign removal program, the particular requirements of title III need not be followed. For example, in the acquisition of an interest of minimal value, the observance of elaborate procedures for preparing appraisals and for giving notice to sign and site owners of their right to accompany appraisers may be modified or dispensed with when their observance would impede the expeditious implementation of the program and increase administrative costs out of proportion to the cost of the minimal interest being acquired or extinguished.

d. Funds provided by title 23 U.S.C. 131 (m) may participate in the costs of acquisition of those property interests or rights necessary to permit removal of outdoor advertising signs under the highway Beautification Act of 1965.

e. When funds are provided by title 23 U.S.C. 131(m) for the acquisition of signs, the site owner shall also be compensated for the acquisition of his right to erect and maintain existing signs on qualifying sites. It is expected the site owner shall be compensated at the time or shortly after compensation is paid to the sign owner.

3. *Definitions.* The following terms are defined as to their meaning and use in the sign removal program.

a. *Sign.* An outdoor sign, light, display, device, figure, painting, drawing, message, placard, poster, billboard, or other thing which is designed, intended or used to advertise or inform, any part of the advertising or informative contents of which is visible from any place on the main traveled way of the Interstate or Primary Systems.

b. *Lease* (also called a license, an agreement, contract, or easement). An agreement, oral or in writing, by which possession or use of land or interests therein is given by the owner to another person for a specified period of time.

c. *Leasehold value.* The lessee value is the present worth of the rent saving when the contractual rent at the time of the appraisal is less than the current market rent for a comparable site. The lessor has leasehold value if the contractual rent is greater than the currently established market rent.

d. Illegal sign—One which was erected and/or maintained in violation of the State law.

e. Nonconforming sign—One which was lawfully erected, but which does not comply with the provisions of a State law passed at a later date or which later fails to comply with State law due to changed conditions.

f. 1966 Inventory—The record of the survey of advertising signs and junkyards compiled by the State highway department as requested in Instructional Memorandum 50-1-66 dated January 7, 1966.

g. Abandoned sign—One which has ceased to be maintained, and in which the owner no longer claims an interest.

4. *State policies and procedures requirements.* a. *Policy statement.* Each State shall develop for FHWA approval a policy statement regarding the procedures it proposes to follow to implement a sign removal program under a State law complying with the Highway Beautification Act of 1965, no later than 60 days after issuance of this PPM. States now implementing the Act should not delay sign removal while developing a policy statement.

b. *Operating procedures.* Operating procedures should reflect in detail the procedures and controls adopted by the State to accomplish the sign removal program.

5. *Control area and zoning.* a. The applicable control distance, 660 feet for advertising signs, shall be measured horizontally from the edges of the right-of-way along lines perpendicular to the centerline of the highway.

b. Any revision in right-of-way limits after initial control is obtained will require similar revisions in the control area. The additional expenditures are eligible for Federal participation in the same manner as the original expenditures for creation of the controlled area.

c. Placing the label "Zoned Commercial or Industrial" along areas adjacent to the highway solely for the purpose of allowing outdoor advertising to be erected or maintained is not acceptable under title 23 U.S.C. 131(d).

d. Except as stated in c above, the zoning of an area will determine applicability of the standards for control of outdoor advertising signs. Similarly, actual industrial or commercial use at any given time will determine the classification of unzoned commercial or industrial areas.

e. Where State standards are more stringent than Federal control requirements along Interstate and Primary Systems, the Administrator may approve Federal participation in costs of applying the State standards to those systems on a Statewide basis.

6. *Bonus states.* Any State which is carrying out an agreement to control outdoor advertising along the Interstate System under the 1958 bonus program may continue to receive bonus payments. Where such a State is also in compliance with the 1965 Act requirements, it must continue to carry out

the bonus agreement except where the 1965 Act calls for more restrictive controls.

7. *Acceptable conforming signs.* Each State shall make provision for effective control of the erection and maintenance, along the Interstate System and the Federal-aid Primary System, of outdoor advertising signs which are within 660 feet of the nearest edge of the right-of-way and visible from the main traveled way of the System.

Under the provisions of the 1965 Act, the following signs are permitted:

a. Directional and other official signs, including signs and notices pertaining to natural wonders and scenic and historical attractions. These signs shall conform to national standards set forth in 23 CFR 21.

b. Signs advertising only the sale or lease of property upon which they are located.

c. Signs advertising only activities conducted on the property on which they are located.

d. Signs erected and maintained in areas which are zoned industrial or commercial under State law, or in unzoned industrial or commercial areas, as determined and in accordance with the provisions of the agreement between the Secretary and the State. This subsection is not applicable to on-premise signs referred to in b and c above.

8. *Federal participation.* a. Federal reimbursement will be made on the basis of 75 percent of the costs of removal paid by the State as just compensation for:

(1) Signs which were lawfully in existence on October 22, 1965;

(2) Signs lawfully on any highway made a part of the Interstate or Primary System on or after October 22, 1965, and before January 1, 1968; and

(3) Signs lawfully erected after January 1, 1968, in accordance with the criteria in the Highway Beautification Act.

b. In the event a sign was omitted in the original inventory, the State should submit adequate evidence to establish that the sign was in existence prior to October 22, 1965. Based on the evidence submitted, the division engineer may determine whether the sign removal cost is eligible for Federal participation under the provisions of the Act.

c. Federal funds may participate in the cost of removal of abandoned signs and those which are illegal under State law within the controlled areas regardless of when these signs were erected, provided such costs for removal are incurred in accordance with State law. Removal may be by State personnel on a force account basis or by contract. Federal funds may not participate in payments for rights in sites on which signs have been abandoned or illegally erected by the sign owner or in the costs of removal in cases where a new sign is erected or there has been a relocation of a sign after October 22, 1965, either as a result of a regular right-of-way taking or by the sign owner as a part of his operation and the sign in its new location is within the 660 feet controlled area.

d. Signs lawfully erected for which just compensation is provided under paragraph 8a above, and which must be removed by requirement of the Act, are not required to be removed if Federal funds are not available.

e. Federal funds may participate in payments made to a sign owner for his right, title and interest in a sign, and where applicable, his leasehold value in a sign site. Federal funds may participate in relocation of a sign only to the extent of the cost to acquire the sign, less salvage value if any. Each sign shall be treated as a separate entity without regard to the effect its removal will have on the business operation of the sign owner, except as provided in paragraph 11d.

f. Reimbursement for the Federal pro rata share of the just compensation paid for the removal of outdoor advertising signs shall not be made until the removal shall have been accomplished.

g. Except where required by State law, Federal funds will not participate in the costs of a title certificate, title insurance, title opinion or similar evidence or proof of title in connection with the acquisition of a landowner's right to erect and maintain a sign or signs when the amount of such payment to the landowner for his interest is $2,500 or less. Federal funds, however, may participate in the costs of securing some lesser evidence or proof of title such as searches and investigations by State highway department personnel to the extent necessary to determine ownership, affidavit of ownership by the owner, bill of sale, etc. The State's procedure for determining such evidence of proof of title would be set forth in the State's policy and procedure submission.

h. When a duplicate payment for a landowner's interest of $2,500 or less is necessary because of a bona fide error in ownership, Federal funds will also participate in the duplicate payment provided the State has followed its title procedures as set forth in its policy and procedure submission. Any duplicate payment shall be submitted to the division engineer for his approval before it is included in any reimbursement voucher. The State shall take all reasonable steps to recover any wrongful payment made and appropriate credit shall be made to Federal funds from the proceeds of the recovery.

i. Except as may be provided in paragraphs 11, 12, and 13, Federal funds will not participate in items generally not compensable under eminent domain.

9. *Payments to sign and site owners.* a. Payments made to the landowner and the sign owner are to be supported by schedules, formulas, value estimates, or appraisals.

b. Signs, erected without permission of the property owner, should be removed without payment to the sign owner unless the sign owner can otherwise establish his legal right to erect and maintain the sign. Signs of this nature may be removed by State personnel on a force account basis, by contract, or by compensating the landowner an amount to remove the sign if the payment involves only a minimal amount. Federal funds may participate in such costs.

c. Where compensation to landowners and sign owners is established by a schedule, formula, or other such method approved by the Federal Highway Administration, the valuation and negotiation may both be done by the same member of the staff of the State highway department: *Provided*, That any negotiated agreement does not become effective until it has been reviewed (checked) and approved by another member of the staff. Where compensation to landowners and sign owners is established by value findings, abbreviated appraisal reports, or standard appraisal reports, all such estimates shall be reviewed and approved by a State reviewing appraiser.

10. *Program and authorization.* a. *Type of project.* A sign removal project may consist of any group of proposed sign removals selected in a reasonable fashion. The signs may be those belonging to one company or those located along a single route, all of the signs in a single county or other locality, or any other similar grouping. Generally speaking, a single project should not include signs along both interstate and primary highways unless the number of signs along one system is so small that it would be more logical to include these in the project than on the other system.

A project for sign removal on other than a Federal-aid primary route basis should be identified as CAF-000B( ), continuing the numbering sequence which began with the sign inventory project in 1966.

Sign removal projects set up by interstate routes should be by route sections unless one section contains only a very limited number of signs.

Projects for the removal of outdoor advertising signs shall be programed and authorized in accordance with normal procedures and in the same manner as set forth for right-of-way projects.

b. *Division engineer approval.* Authorization to proceed with acquisitions on a sign removal project shall not be issued until such time as the State has submitted to the division engineer the following:

(1) A general statement or description of the project.

(2) A list of the signs to be removed, including the approximate location of each sign and its 1966 inventory number, if available.

(3) The total estimated cost of all sign removals within the project, including payments to sign owners, landowners and incidental costs.

c. *Project priorities.* The selection and programing of sign removal projects will be the responsibility of the State. At the 1973 fiscal year funding level contained in the 1970 Highway Act, the sign removal program, nationwide, will take 5 to 6 years. The following is the recommended order of priority in sign removal.

(1) Illegal and abandoned signs.

(2) Hardship situations.

(3) Minimum value signs.

(4) Signs in areas which have been designated as scenic under authority of State law.

(5) Product advertising on: (a) Rural interstate highway, (b) on rural primary highway, and (c) urban areas.

(6) Nontourist oriented directional advertising.

(7) Tourist-oriented directional advertising.

11. *Valuation methods.* a. *Schedules-formulas.* Schedules, formulas, or other methods to simplify valuation may be used. Attachment 1 provides guides for the development of such methods. These methods may be based on income, cost of reproduction less depreciation, or other factors. Such methods of simplified valuation do not purport to be a basis for the determination of just compensation under eminent domain principles, but are developed for the purpose of minimizing administrative and legal expenses necessarily involved in determining just compensation by individual appraisals and litigation.

Any such method shall be approved by FHWA prior to its use. Where a sign or site owner does not accept the amount computed under an approved schedule, formula, or other simplified method, an appraisal under principles of eminent domain will be required.

b. *Value finding—Appraisals.* Where appropriate the State may use its approved value finding, abbreviated appraisal, or standard appraisal report forms. When used they shall be completed in accordance with applicable Federal Highway Administration appraisal requirements.

c. *Leaseholds.* When outdoor advertising signs and sign sites involve a leasehold value, such value should be determined in the same manner as any other real estate leasehold that has value to the lessor or lessee.

d. *Special cases—Severance damages.* Generally, Federal participation will not be allowed in the payment of damages to remaining signs, or other property of a sign company alleged to be due to the taking of some of the company's signs. Unity of use of the separate properties, as required by applicable principles of eminent domain law, must be shown to exist before participation in severance damages will be allowed. Moreover, the value of the remaining signs or

other real property must be diminished by virtue of the taking of such signs. Payments for damages to economic plants or loss of business profits are not compensable. The State shall have the burden of justifying the recognition of severance damages pursuant to PPM 80–1 and the law of the State before Federal participation will be allowed. Such cases must be submitted to the Federal Highway Administration for prior concurrence, together with complete legal and appraisal justification for payment of these damages.

To assist the Federal Highway Administration in its evaluation, the following data will accompany any submission regarding severance:

(1) One copy of each appraisal in which this was analyzed. One copy of the State's review appraiser analysis and determination of market value.

(2) A plan or map showing the location of each sign.

(3) An opinion by the State highway department's chief legal officer that severance is appropriate in accordance with State law together with a legal opinion that, in the instant case, the damages constitute severance as opposed to consequential damages as a matter of law. The opinion shall include a determination, and the basis therefor, that the specific taking of some of an outdoor advertiser's signs constitutes a distinct economic unit, and that unity of use of the separate properties in conformity with applicable principles of eminent domain law had been satisfactorily established. A legal memorandum must be furnished citing and discussing cases and other authorities supporting the State's position.

12. *Valuation of sites.* a. Normally sites will be valued by the use of schedules or formulas without requiring before and after appraisals. The additional income produced by the sign may be considered the primary indicator of value of the landowner's interest, subject to limitations of State law. Any formula or schedule developed should be based on accepted appraisal principles such as estimating the present worth of a future income stream. If the income approach is used, consideration should be given to:

(1) The terms of the lease or agreement.

(2) Annual rent received for the site.

(3) An interest rate which reflects the durability and quality of the income stream.

(4) Factors effecting the remaining life of the sign on the site.

b. The State may establish a minimum payment for sites acquired not to exceed $100 per site interest. A landowner's right to erect and maintain signs on a contiguous ownership will be considered as one site interest, regardless of the number of signs. Federal funds will not participate in the acquisition of potential sign sites or sites where signs were built during a period of time which makes them ineligible for compensation under the law. The existing sign must be removed in order to compensate the landowner.

13. *Valuation of signs.* a. The valuation of signs can be accomplished by developing formulas, cost schedules which reflect typical construction costs of signs or, by using other appropriate estimating methods. The State should obtain information from sign companies and others to support its formula or schedule methods.

b. *Minimum payment.* The State may establish a minimum payment for signs acquired not to exceed $100 per interest. A sign owner's right to erect and maintain signs located on a contiguous ownership will be considered as one interest, regardless of the number of signs.

c. *Sign removal.* Sign removal will be accomplished in accord with the State's procedural statement. The statement should include provision for:

(1) *Owner retention.* Owner may retain removed signs with no deduction from the estimated value where it has been determined the sign has only a nominal salvage value. Signs which have an apparent salvage value shall be removed in accord with the State's procedures.

(2) *State removal.* Where owners do not remove signs, the State shall remove the signs on a contract basis, or when appropriate by State force account.

14. *Review of estimates.* All estimates whether based on an approved schedule, formula, or other such method or, on a value finding, abbreviated appraisal, or standard appraisal, shall be reviewed and approved by a person other than one who prepared the estimate. Review and approval of estimates based on approved schedules shall occur before any negotiated agreement becomes effective. In the case of estimates based on value findings or appraisals, the review and approval must occur prior to the initiation of negotiations.

15. *Negotiations.* a. Negotiations with sign owners and landowners will be conducted in accordance with the State's procedural statement. Federal Highway Administration approval of fee negotiators on a project basis is required. No part of the acquisition cost of a sign or site will be eligible for Federal participation if the negotiator is paid on a percentage basis.

b. Administrative settlements shall be in accordance with the State's procedural statement.

c. Where condemnation action is necessary, the State's eminent domain procedures pertaining to condemnation of property for public purposes, or the procedures spelled out in State law on this subject, shall apply and be in accord with the State's procedural statement.

16. *Documentation for Federal participation.* The following information concerning each sign must be available in the State files prior to Federal participation in the cost of sign removals.

a. Payment to sign owner:

(1) Value documentation including proof of payment.

(2) A statement of facts showing the sign was nonconforming as of the date of taking. The statement will indicate the zoning of the land on which the sign was located and if unzoned that the sign was not located in an unzoned commercial or industrial area.

(3) A statement that the sign falls within one of the three categories shown in paragraph 8a of this memorandum.

(4) A photograph of the sign in place.

(5) Satisfactory indication of ownership of the sign and compensable interest (e.g., lease or other agreement, if any, with the property owner).

(6) Evidence that sign has been removed.

b. Payment to the landowner:

(1) Value documentation, including proof of payment.

(2) Satisfactory indication of ownership and compensable interest.

(3) Evidence that sign has been removed.

17. *Reports.* Division engineers will submit monthly reports on actual sign removals on a form to be prescribed.

F. C. TURNER,
Federal Highway Administrator.

PPM 80–5.2—ATTACHMENT 1—SIGN AND SITE VALUATION FORMULA AND SCHEDULE GUIDE

INTRODUCTION

Standardized sign industry construction methods and the simple structural nature of nonstandardized signs support the development of easily administered payment schedules and other equitable valuation techniques. These are intended to facilitate sign and site valuations, speed acquisition and substantially increase program progress.

In brief, the guide suggests procedures for the development of schedules and valuation techniques for the following parts:

I Standard Poster Panels.
II Painted Bulletins.
III Miscellaneous Signs.
IV Depreciation Techniques.,
V Leasehold Value.
VI Gross Rent Multiplier.
VII Site Valuation.

The suggested methods are not mandatory. These methods were developed by State and Federal representatives with the assistance of the outdoor advertising industry. This guide will be subject to modification as improved procedures develop and additional valuation information becomes available. Industry, State, and division information and suggestions should be submitted promptly for consideration and inclusion in any revision of this guide.

METHOD OF DEVELOPING SIGN PAYMENT SCHEDULES

1. By contact with the industry and observation in the field, locate a suitable number of newly constructed signs.

2. Contact the companies that have built signs recently and obtain from them the direct and indirect costs of the specific sign construction. At the same time, request authority to audit the company's records to determine the validity of the data acquired. Obtain information on the normal useful life of each sign for the development of depreciation rates. This initial study and data is crucial to the development of the valuation techniques set forth herein.

3. Field check each sign to determine whether it was built according to the company's plans, to determine the specific type of construction, including such things as wood or metal construction, illumination one face, two face, and the area of the advertising face or faces.

4. Correlate the data obtained from the field and the audited construction data.

5. When adequate sign cost data has been collected from a sufficient number of signs, analyze the data to determine the cost of variables such as height, lighting, addition of a second face, reflectorization, quality and type of construction, and the appropriate form for schedules.

6. The data acquired should then be broken down into various categories and averaged to determine the appropriate costs and depreciation rates which can be used as a basis for the schedules.

7. In lieu of the above steps, a State may adopt another State's FHWA approved schedules after test auditing local new sign construction costs and making any necessary adjustments.

8. Obtain and evaluate industry's position concerning the payment schedule concept and the resultant formula based on the analysis in 5 above.

PART I—SCHEDULE I. STANDARD POSTER PANEL

Definition. An outdoor advertising device built on two or more posts imbedded into the ground or attached to the wall or roof of a building which is designed to support a flat surface of 300 square feet upon which printed advertising or other messages are affixed by pasting.

	Cut out ($/S.F.)	*Modular* ($/S.F.)
A. Direct Costs:		
1. Material, labor, etc.:		
a. Construction material		
b. Material handling		
c. Construction labor		
d. Engineering		
e. Permits		
f. Equipment costs		
B. Indirect Costs (overhead or burden) attributable to construction Items to be considered:		
1. Shop overhead		
2. Insurance		
3. Salaries		
4. General office expense		
5. Utilities (not including sign illumination)		
6. Taxes		
7. Business licenses		
8. Site procurement		
9. Management		
C. Adjustments:		
1. Illumination, including power run-in		
2. Steel support		
3. Height		
4. Multiple face		
5. Other appropriate adjustments		

NOTE: Either a lump-sum or square-foot schedule may be developed with the above information.

PART II—SCHEDULE: 2 PAINTED BULLETIN

Definition. An outdoor advertising device built on one or more posts imbedded into the ground or attached to the wall or roof of a building which is designed to support one or more flat surfaces upon which at least one advertisement or other message is painted in whole or substantial part.

	Cut out ($/S.F.)	*Modular* ($/S.F.)
A. Direct Costs:		
1. Material, Labor, etc.		
a. Construction material		
b. Material handling		
c. Construction labor		
d. Engineering		
e. Permits		
f. Equipment costs		
2. Art and Display		
B. Indirect Costs (overhead or burden) attributable to construction. Items to be considered:		
1. Shop overhead		
2. Insurance		
3. Salaries		
4. General office expense		
5. Utilities (not including sign illumination)		
6. Taxes		
7. Business licenses		
8. Site procurement (not including payment to landowner)		
9. Management		
C. Adjustments:		
1. Illumination, including power run-in		
2. Steel support		
3. Height		
4. Reflectorization		
5. Multiple face		
6. Other appropriate adjustments		
7. Special costs (costs involved in special use sign design and erection specifically for the sole use of one advertiser (not to exceed 10 percent of direct and indirect costs)).		

NOTE: A lump-sum schedule may be developed where appropriate.

PART III—SCHEDULE 3: MISCELLANEOUS SIGNS

Definition. Factory-made signs produced for mass distribution, or small inexpensive signs characterized by "do-it-yourself" workmanship, and all other signs that do not fit into the standard 300-square foot poster panel or painted bulletin categories.

	Cut out ($/S.F.)	*Modular* ($/S.F.)
A. Direct Costs:		
1. Material, Labor, etc.		
a. Construction material		
b. Material handling		
c. Construction labor		
d. Engineering		
e. Permits		
f. Equipment costs		
2. Art and Display		
B. Indirect Costs (overhead or burden) attributable to construction. In those instances where these costs are applicable, use the appropriate costs under "Painted Bulletins."		
C. Adjustments:		
1. Illumination		
2. Steel support		
3. Height		
4. Reflectorization		
5. Double face		
6. Other appropriate adjustments		
D. Quantity Survey Method:		

As an alternative to the above, miscellaneous signs may also be estimated through use of a simplified quantity survey. Such methods should be supported with a table of realistic material costs developed through study of suppliers' prices. A standard form should be used to list the basic components as line items and show their quantities, costs, and extended amounts. The list of basic components could include suppliers' prices for typically used sizes of dimensioned lumjer, dur-a-ply, or its equal, plywood, pipe, angle iron, I-beams, sheet metal, pressure treated poles and posts, fasteners, and other appropriate items.

Labor and overhead should be added to the material cost. These figures may be obtained from contractors through audit of sign companies' costs.

A list of adjustments should also be provided, such as in C above. They may be computed on an individual basis and include both direct and indirect costs. In addition to the adjustments in C above, this list could include adjustments for transportation, excavation and erection, and light or heavy copy.

NOTE: A lump-sum schedule may be developed when appropriate.

PART IV—DEPRECIATION

Average depreciation rate schedules should be established to reflect the depreciation of signs of similar type, size and physical condition. These schedules should include high, intermediate and low rates of depreciation to reflect the condition of the signs, their maintenance and other appropriate factors.

Generally, the age-life method of estimating depreciation should be used. The estimator should be aware of the typical economic life of the sign. Consideration should be given to past maintenance, quality of construction, type of mataerials, etc. A remaining economic life should be estimated and applied to each sign.

Depreciation should also reflect functional, economic, legal and other matters, such as zoning, setback easements, deed restrictions, visibility, compatibility with future use, and traffic conditions. It should not, however, reflect any decrease in value attributable to the fact that the Highway Beautification Act prevents relocation of the sign.

PART V—LEASEHOLD VALUE

If it is established that economic site rent exceeds contract site rent, the bonus value may be computed in accordance with applicable State law and accepted appraisal technique. This amount may be added to the sign owner's compensation.

PART VI—GROSS RENT MULTIPLIER

A carefully developed gross rent multiplier may be useful in valuing some signs. Development and acceptance of this technique depends upon the availability of reliable and sufficient current sales of rented signs. Sales of signs or groups of signs are preferred to sales of entire companies, but both types may be considered. The usual conditions of a fair market sale should be present, and all nonsign values (items not normally considered in eminent domain) should be deducted from the sales prices. The signs should have similar expense and revenue producing characteristics. Reasonable details on conditions of the signs and sites will show whether the gross incomes have about the same quality and duration. If sufficient sales become available and this technique proves feasible, multipliers may be prepared for consideration. Any proposed GRM's should be submitted to FHWA for approval prior to use.

PART VII—SITE VALUATION

The valuation process outlined in paragraph 12a, PPM 80-5.2, would lend itself to the adoption of a formula permitting annual income to be multiplied by a present worth factor to determine the amount of payment to the site owner. Selection of the appropriate multiplier would depend upon the judgment of the appraiser and reflect the following considerations:

1. The maximum duration of the income stream may not exceed the remaining economic life of the sign on the site.
2. Existing or proposed local ordinances.
3. Neighborhood quality and trends.
4. The effect of the existing sign(s) on the dominant use of the property.
5. Any potential change in use of the property.
6. Potential development of adjacent property which might block the view of existing sign(s).
7. Present and future traffic flow.
8. Existing zoning and potential rezoning.
9. Deed restrictions.
10. The effect of cancellation clauses and/renewal options in the lease.
11. The ability of the tenant to pay.

In developing a payment schedule or formula, it should be recognized that the risk rate may increase on those sites having a relatively long remaining economic life.

A schedule will not apply to sites exceeding a 10-year remaining economic life without prior FHWA approval. Sites producing substantial income and having long remaining economic lives should be valued using accepted appraisal procedure.

In applying developed schedule multiples to site income, the average rental for the preceding 2 years shall be utilized.

[FR Doc.72-6227 Filed 4-21-72;8:52 am]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 7184]

PART 240—WINE

Use of Carbon Dioxide in Sparkling Wine

In order to conform 26 CFR Part 240, Wine, to an amendment being made in 27 CFR Part 4, Labeling and Advertising of Wine, regarding the permissible use of carbon dioxide to maintain counterpressure when transferring finished sparkling wine from bulk processing tanks to bottles or from bottle to bottle the regulations in 26 CFR Part 240 are amended as follows:

PARAGRAPH 1. Section 240.510 is amended to read as follows:

§ 240.510 General.

Sparkling wine and artificially carbonated wine may be made on bonded wine cellar premises. Where the effervescence results from fermentation of the wine within a closed container or bottle, the wine shall be classed and taxed as sparkling wine. The use of carbon dioxide gas is permitted to maintain counterpressure during the transfer of finished sparkling wines from (a) bulk processing tanks to bottles, or (b) bottle to bottle: *Provided,* That the carbon dioxide content of the wine shall not be increased by more than 0.009 gram per

100 milliliters during the transfer operation. Where the wine is carbonated artificially (by injection of carbon dioxide into the wine) it shall be classed and taxed as artificially carbonated wine. Neither the effervescent wine nor the wine used as a base in the production thereof shall have an alcohol content in excess of 14 percent by volume; however, small quantities of wine containing more than 14 percent of alcohol may be used in preparing a dosage for finishing effervescent wine.

(72 Stat. 1383; 26 U.S.C. 5382)

PAR. 2. Section 240.511 is amended by: Striking the last sentence in its entirety; and updating the statutory citation. As amended, § 240.511 reads as follows:

§ 240.511 Segregation of operations.

Where more than one process of producing effervescent wine is employed, the portion of the premises used for the production and storage of wine made by each process (bottle fermented, bulk fermented or artificially carbonated) must be physically segregated by partitions of wire netting or other suitable material from the other portions of the premises used for effervescent wine production.

(72 Stat. 1381; 26 U.S.C. 5365)

PAR. 3. Section 240.1051 is amended by: Adding in the "Use" column for "Carbon dioxide, CO_2" the phrase: "To maintain counterpressure during the transfer of finished sparkling wines"; and adding in the "Reference or limitation" column for such material the words: "§ 240.510. The CO_2 content of the finished wine shall not be increased by more than 0.009 gram per 100 milliliters during the transfer operation."; and adding the statutory citation. As amended, § 240.1051 reads as follows:

§ 240.1051 Materials authorized for treatment of wine.

* * * * *

Materials	Use	Reference or limitation
* * *	* * *	* * *
Carbon dioxide, CO_2.	To stabilize and preserve wine.	§§ 240.531 through 240.535, 21 CFR 121.101(d)(8).
	To maintain counterpressure during the transfer of finished sparkling wines.	§ 240.510. The CO_2 content of the finished wine shall not be increased by more than 0.009 gram per 100 milliliters during the transfer operation.
* * *	* * *	* * *

(72 Stat. 1383; 26 U.S.C. 5382)

Because this Treasury decision merely conforms 26 CFR Part 240 to an amendment being made in 27 CFR Part 4, Labeling and Advertising of Wine, pursuant to a public hearing held on July 27, 1971, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under 5 U.S.C. 553(b). Accordingly, this Treasury decision shall become effective the first day of the first month which begins not less than 30 days following the date of publication in the FEDERAL REGISTER.

(Sec. 7805, of Internal Revenue Code, 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] JOHNNIE M. WALTERS,
Commissioner of Internal Revenue.

Approved: April 3, 1972.

FREDERIC W. HICKMAN,
Acting Assistant Secretary of the Treasury.

[FR Doc.72-6212 Filed 4-21-72;8:51 am]

Title 27—INTOXICATING LIQUORS

Chapter I—Internal Revenue Service, Department of the Treasury

[T.D. 7185]

PART 4—LABELING AND ADVERTISING OF WINE

Definitions, Standards of Identity, and Labeling Requirements

Notice of public hearing to be held in Washington, D.C., on July 27, 1971, with respect to certain proposals to amend 27 CFR Part 4, relating to the labeling and advertising of wine was published in the FEDERAL REGISTER on July 16, 1971 (36 F.R. 13221). Upon the conclusion of the said hearing, and after a thorough study of the proposals in the light of relevant testimony and documentary material and comments submitted by interested persons, the following conclusions have been reached:

1. It had been proposed (proposal No. 1 in the notice of hearing) to amend §§ 4.10(h) and 4.39(b)(1): (1) To permit wine to be described as "vintage wine" and labeled with a vintage date, notwithstanding that, during the course of its development, it may have had blended into it not in excess of 5 percent of other wines as a "topping" to replace wine lost through evaporation or leakage; (2) to delete the requirements that a bottler of vintage wine actually crush the grapes from which such vintage wine is derived and that the grapes be crushed within the particular viticultural area in which they were grown; and (3) to provide that the sale of a particular wine of a particular vintage not exceed the winemaker's total production of such wine for that year.

The proposal to amend §§ 4.10(h) and 4.39(b)(1) would permit "vintage wine" to have a maximum of 5 percent of other wines added to it to replace wine lost by evaporation and leakage during the aging period. Replacement of wine lost during aging is a customary practice in most of the foreign wine producing countries. The sole purpose of "topping" is to preserve the quality of the wine in the aging container by adding wine to replace wine lost by evaporation and leakage. Deterioration by exposure to air is held to a minimum by topping.

Topping operations are performed during aging at irregular intervals, perhaps as frequent as twice a month. Quantities of wine required for topping operations are not known in advance of actually opening the storage container and filling it to capacity. Consequently, winemakers cannot predetermine and set aside the quality of wine needed for topping operations because leakage and evaporation are affected by cellar temperatures and humidity, as well as by the physical condition and size of the cooperage in which the wine is stored.

The general method of topping is to replace the outage from another tank of wine of the same vintage and then transfer the remaining wine into smaller containers for future use in topping. This often requires the use of a number of 5-gallon demijohns which are used until depleted and then the process starts over again. All containers must be kept full, including the smaller ones for future use. Topping operations practiced today require all domestic winemakers to use like wine when topping operations are conducted and by so doing the wine is excessively handled as it is transferred from container to container. Excessive handling, pumping, and exposing the wine to air are damaging to the quality of the wine.

The proposal to delete from § 4.10(h) the requirement that vintage wine be "fermented" in the same viticultural area in which the grapes were grown parallels a similar proposal for § 4.25(a) which would also delete the requirement that wine be "fermented" within the viticultural area in which the grapes were grown in order to be eligible for an appellation of origin.

Both proposals would require that the wine be fermented or fully manufactured and finished within the State in which the viticultural area is located. This requirement is not unusual and is consistent with section 5382(b)(2)(B), I.R.C., in which Congress limited the addition of wine spirits to natural wines produced by fermentation in bonded wine cellars located within the same State.

The reasons for this proposal are because vineyards owned by wineries have been relocated in other areas due to the value of real estate; but, the wineries remain in the same place. Wine grapes are purchased by wine producers and with the advent of mechanized grape pickers and good transportation, it is no longer necessary for the winery to be located in the area where the grapes are grown. As a practical matter, there is very little direct connection between grower of the grapes and the producer of wine.

The evidence of record indicated that the present requirement that a vintage wine must be derived wholly from grapes gathered in the same calendar year, and grown and fermented in the same viticultural area is unnecessarily restrictive when viewed in the light of practices in some of the principal wine producing countries of the world. Further, an amendment of the definition of vintage wine to permit a 5 percent "topping" allowance of other wine would not be

adverse to the consumer interest. Therefore, it has been decided to amend the regulations as proposed.

2. It had been proposed (proposal No. 2 in the notice of hearing) to amend § 4.35(a)(1) so as to no longer require a bottler of wine to crush the grapes from which the wine was produced as a condition precedent to the use of the phrase "produced and bottled by" on the label.

The proposal to amend § 4.35(a)(1) deletes the requirement that "crushing the grapes or other materials" be a condition to the use of the phrase "produced and bottled by" or "produced and packed by" on labels. The fact that grapes are crushed in the field has no effect on the production of wine from grapes or juice purchased by producers of wine. Improved transportation now permits grapes to be grown and crushed many miles from the winery. The person who ferments the must (juice) is the producer of the wine regardless of who grew or crushed the grapes. Advances in wine technology have shown that field crushed grapes are less susceptible to contamination and that wild fermentation can be controlled.

This proposal is consistent with the related provisions regarding "vintage wine". Therefore, it has been decided that the regulations be amended so that the phrase "produced and bottled by" or "produced and packed by" may appear on labels used by a bottler who did not crush the grapes from which the wine was produced.

3. It had been proposed (proposal No. 3 in the notice of hearing) to amend § 4.25(a) to eliminate the requirement that the wine must be "fermented" and "fully manufactured" in the viticultural area in which the grapes were grown (where the name of such viticultural area is shown on the label as an appellation of origin) provided the wine is "fermented" and "fully manufactured and finished" in the State where such viticultural area is located.

The proposal to amend § 4.25(a) deletes the requirement that the fruit be fermented in the place or region (viticultural area) where grown to make the wine eligible to an appellation of origin of that viticultural area. The character, bouquet, and quality of a wine depends, to a very large extent, on the quality of the fruit used to produce the wine. All fruits derive their basic characteristics from the climatic and soil conditions where they are grown. Accordingly, a winemaker can take grapes grown in one area, ferment them in a different area, and the wine produced will be equal in quality to wine produced in the same area where the grapes were grown.

This proposal is consistent with the related provisions regarding "vintage wine." Therefore, it has been decided to amend the regulations as proposed.

4. It had been proposed (proposal No. 4 in the notice of hearing) to amend § 4.21(b)(4) to modify the present requirement that "crackling wine," "frizzante wine," "cremant," "perlant," "reciotto," and similar sparkling wines derive their effervescence solely from limited fermentation in the bottle by permitting such wines to derive their effervescence from fermentation in the bottle or in bulk.

The proposal to amend § 4.21(b) allows the production of "crackling wine" and other similar wines by fermentation in bulk. Crackling wine is a sparkling light wine and its production is now restricted to fermentation within the bottle. Since champagne may be fermented in a closed tank, there is no reason to impose different restrictions on fermentation processes for crackling wines.

The evidence of record established a universal desire on the part of industry for "crackling wine" to derive its limited effervescence either from fermentation in the bottle or from fermentation in bulk. However, in order to protect the consumer from deception it has been decided that "crackling wine" deriving its effervescence from fermentation in bulk should be labeled: "Crackling Wine—Bulk Process" to clearly identify the method of production. Therefore, it has been decided to so amend the regulations.

5. It had been proposed (proposal No. 5 in the notice of hearing) to amend § 4.72(a) to eliminate the requirement that bottles of ⅘-gallon and ⅖-gallon sizes be of the traditional Bordeaux or Burgundy shapes and that bottles of the ½-pint size be of the traditional chianti or round shape.

The evidence of record established that the requirement for bottles of ⅘-gallon, ⅖-gallon, and ½-pint sizes to be of a specific shape serves no useful purpose to the industry or consumer. Therefore, it has been decided to amend the regulations as proposed.

6. It had been proposed (proposal No. 6 in the notice of hearing) to amend § 4.38(d) to eliminate the restriction on the placement of a label extending over the mouth of a wine bottle.

No evidence was presented in the hearing of a need for such a restriction. Therefore, it has been decided to amend the regulations as proposed.

7. It had been proposed (proposal No. 8 in the notice of hearing) to amend § 4.39(b)(2) to permit the bottling of vintage wine and the use of a vintage date on labels by a person other than the producer thereof, when such wine is shipped to the bottler in tank cars or tank trucks.

The proposal to amend § 4.39(b)(2) deletes the restriction that the year of vintage may be stated only if the container from which such wine is bottled is the original container of the permittee who produced the wine. This restriction has prevented bulk shipments of vintage wine in tank cars and tank trucks to bottlers other than the producer of the wine. Containers used for transporting vintage wine from producer to bottler need not be restricted if the bottler has available information to substantiate the vintage date. This will allow vintage wines to be transported for bottling in a like manner used in transporting other wines for bottling.

The Wine Institute requested this proposal be limited to shipments within the State of production. It has been decided that the limitation requested by the Wine Institute would discriminate against bottlers located in other States. Therefore, it has been decided to amend the regulations as proposed.

8. It had been proposed (proposal No. 9 in the notice of hearing) to amend § 4.22 by adding a new subsection to permit the use of carbon dioxide to maintain counterpressure during bottling operations of sparkling wines.

New § 4.22(c)(7) would allow domestic producers to use carbon dioxide as a counterpressure when transferring finished sparkling wine from bottle to bottle or from bulk processing tanks to bottles. Tests have been conducted and the results have shown absorption of CO_2 to be minute. While most foreign producers use carbon dioxide to maintain pressure during the filtering and bottling of sparkling wines, domestic producers have been prohibited by our regulations from such use of carbon dioxide and have been using nitrogen gas for this purpose. The use of nitrogen gas is less desirable since its presence in sparkling wine may cause "gushing" when the bottle is opened.

The evidence of record indicated unanimous agreement to allow the use of carbon dioxide to maintain counterpressure during the transfer of sparkling wine from bulk processing tanks to bottles or bottle to bottle with the limitation that the carbon dioxide content of the wine shall not be increased by more than 0.009 gm. per 100 ml. during the transfer operation. Therefore, it has been decided to amend the regulations as proposed.

Accordingly, the following amendments to 27 CFR Part 4 are hereby adopted:

PARAGRAPH 1. Section 4.10 is amended to read as follows:

§ 4.10 Meaning of terms.

* * * * *

(h) *Vintage wine.* "Vintage wine" means a wine made in accordance with the standards prescribed in Classes 1, 2, and 3 of § 4.21, deriving not less than 95 percent of its volume from grapes gathered in the same calendar year, grown in the same viticultural area, and fermented in the State in which this viticultural area is located.

* * * * *

PAR. 2. Section 4.21(b)(4) is amended to read as follows:

§ 4.21 The standards of identity.

* * * * *

(b) * * *

(4) "Crackling wine," "petillant wine," "frizzante wine" (including cremant, perlant, reciotto, and other similar wine) is sparkling light wine normally less effervescent than champagne or other similar sparkling wine, but containing sufficient carbon dioxide in solution to produce, upon pouring under normal conditions, after the disappearance of air bubbles, a slow and steady effervescence

evidenced by the formation of gas bubbles flowing through the wine. Crackling wine which derives its effervescence from secondary fermentation in containers greater than 1-gallon capacity shall be designated "crackling wine—bulk process," and the words "bulk process" shall appear in lettering of substantially the same size as the words "crackling wine."

* * * * *

PAR. 3. Section 4.22(c) is amended by adding a new subparagraph (7). As amended, § 4.22(c)(7) reads as follows:

§ 4.22 Blends, cellar treatment, alteration of class or type.

* * * * *

(c) * * *

(7) Notwithstanding the provisions of § 4.21(b) (1), (2) and (4), (c), (d)(4), (e)(5), and (f)(6) carbon dioxide may be used to maintain counterpressure during the transfer of finished sparkling wines from (i) bulk processing tanks to bottles, or (ii) bottle to bottle: *Provided,* That the carbon dioxide content of the wine shall not be increased by more than 0.009 gm. per 100 ml. during the transfer operation.

PAR. 4. Section 4.25(a) is amended to read as follows:

§ 4.25 Appellations of origin.

(a) A wine shall be entitled to an appellation of origin if (1) at least 75 percent of its volume is derived from fruit or agricultural products grown in the place or region indicated by such appellation, (2) it has been fully manufactured and finished within the State in which such place or region is located, and (3) it conforms to the requirements of the laws and regulations of such place or region governing the composition, method of manufacture, and designation of wines for home consumption.

* * * * *

PAR. 5. Section 4.35(a)(1) is amended by deleting the phrase "crushing the grapes or other materials." As amended, § 4.35(a)(1) reads as follows:

§ 4.35 Name and address.

(a) * * *

(1) If the bottler or packer is also the person who made not less than 75 percent of such wine by fermenting the must and clarifying the resulting wine, or if such person treated the wine in such manner as to change the class thereof, there may be stated, in lieu of the words "bottled by" or "packed by," the words "produced and bottled by," or "produced and packed by."

* * * * *

PAR. 6. Section 4.38(d) is amended to read as follows:

§ 4.38 General requirements.

* * * * *

(d) *Location of label.* Labels shall not obscure government stamps nor be obscured thereby.

* * * * *

PAR. 7. Section 4.39(b) (1) and (2) is amended to read as follows:

§ 4.39 Prohibited practices.

* * * * *

(b) * * *

(1) In the case of domestic vintage wine bottled or packaged in containers by the permittee who produced and clarified the wine, the year of vintage may be stated if there is also stated on the brand label, in direct conjunction with the designation required by § 4.32(a)(2), and in lettering substantially as conspicuous as such designation, the name of the viticultural area in which the grapes were grown. In no event may the quantity of wine removed from the producing winery, under labels bearing a vintage date, exceed the volume of vintage wine produced in such winery during the year indicated by such date.

(2) In the case of domestic vintage wine repackaged in containers of a capacity of 1 gallon or less by a person other than the producer thereof, the year of vintage may be stated if the wine is accompanied by appropriate records from the producer indicating the year of vintage and the name of the viticultural area where the grapes were grown. If the year of vintage is stated, there shall also be stated on the brand label, in direct conjunction with the designation required by § 4.32(a)(2), and in lettering substantially as conpicuous as such designation, the name of the viticultural area in which the grapes were grown.

* * * * *

PAR. 8. Section 4.72(a) is amended to read as follows:

§ 4.72 Standards of fill.

(a) The standards of fill for wine shall be the following, subject to the tolerances hereinafter allowed:

(1) For all wines:

4.9 gallons.	
3 gallons.	1 pint.
1 gallon.	4/5 pint.
4/5 gallon.	1/2 pint.
1/2 gallon.	2/5 pint.
2/5 gallon.	4 ounces.
1 quart.	3 ounces.
4/5 quart.	2 ounces.

(2) In addition, for aperitif wines only: 15/16 quart:

* * * * *

This Treasury decision shall become effective on the first day of the month that begins not less than 30 days after the date of publication in the FEDERAL REGISTER.

(49 Stat. 981, as amended; 27 U.S.C. 205)

[SEAL] JOHNNIE M. WALTERS,
Commissioner of Internal Revenue.

Approved: April 14, 1972.

FREDERIC W. HICKMAN,
Acting Assistant Secretary of the Treasury.

[FR Doc.72-6213 Filed 4-21-72;8:51 am]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 101—Federal Property Management Regulations

SUBCHAPTER H—UTILIZATION AND DISPOSAL

UTILIZATION AND DONATION OF FOREIGN EXCESS PERSONAL PROPERTY

This amendment implements section 2 of Public Law 91-426 (84 Stat. 883; 40 U.S.C. 512). This Act provides, in part, that pursuant to regulations prescribed by the Administrator of General Services foreign excess property may be returned to the United States for handling as excess or surplus property under the provisions of sections 202, 203(j), and 203(l) of the Federal Property and Administrative Services Act of 1949, as amended, whenever the head of the executive agency concerned determines that it is in the interest of the United States to do so. This amendment does not affect the authority of the head of any executive agency to return property to the United States for further use by such agency.

PART 101-43—UTILIZATION OF PERSONAL PROPERTY

The table of contents for Part 101-43 is amended by adding new § 101-43.104-7a and new Subpart 101-43.5 and reserving Subparts 101-43.6—101-43.48, as follows:

Sec.

101-43.104-7a Foreign excess personal property.

Subpart 101-43.5—Utilization of Foreign Excess Personal Property

101-43.500 Scope of subpart.
101-43.501 Federal Government policy.
101-43.502 Suspension of procurement.
101-43.503 Holding agency responsibility.
101-43.504 Screening and selection.
101-43.505 Assistance to ordering agencies.
101-43.506 Payment of costs.
101-43.507 Statistics and reports.
101-43.508 Donation availability.

AUTHORITY: The provisions of this Subpart 101-43.5 issued under sec. 402(c), 84 Stat. 884, 40 U.S.C. 512(c).

Subparts 101-43.6—101-43.48 [Reserved]

Section 101-43.000 is revised as follows:

§ 101-43.000 Scope of part.

This part prescribes the policies and methods governing the economic and efficient utilization of personal property located within and outside the United States, the Commonwealth of Puerto Rico, and the Virgin Islands.

Subpart 101-43.1—General Provisions

Section 101-43.104-7a is added as follows: