

the claims of U.S. Patent No. 3,338,216 and nibs for such writing instruments which contribute to the practice of the claims of said patent. The complaint alleges that the effect or tendency of the unfair methods or acts is to destroy or substantially injure an industry, efficiently and economically operated, in the United States in violation of the provisions of section 337 of the Tariff Act of 1930 (19 U.S.C. 1337). Accutec, Inc., 168 Main Avenue, Wallington, N.J.; Major Line, Inc., 16019 Valley View Avenue, Santa Fe Springs, CA; Ultra, Inc., 23771 Blackstone, Warren, MI; and Micropoint Engineering Co., Sunnyvale, CA; have been named as importers of the subject products. Having conducted in accordance with § 203.3 of the Commission's rules of practice and procedure (19 CFR 203.3) a preliminary inquiry with respect to the matters alleged in the said complaint, the U.S. Tariff Commission, on September 14, 1972: *It is ordered:*

That, for the purposes of section 337 of the Tariff Act of 1930, an investigation is instituted with respect to the alleged violations in the importation and sale in the United States of certain writing instruments and nibs therefor.

The Commission decided at this time not to recommend that the President issue a temporary exclusion order.

A public hearing will be held; the date, time, and place of such hearing will be announced by notice of the Commission at a later date.

Public notice of the receipt of the complaint was published in the *FEDERAL REGISTER* for December 10, 1971 (36 F.R. 23596), and the complaint was served on the parties named in the complaint and has been available for inspection by interested persons continuously since issuance of the notice, at the Office of the Secretary, located in the Tariff Commission Building, and also in the New York City office of the Commission, located in Room 437 of the Customhouse.

Issued: September 18, 1972.

By order of the Commission.

[SEAL] KENNETH R. MASON,
Secretary.

[FR Doc.72-16112 Filed 9-20-72; 8:49 am]

INTERSTATE COMMERCE COMMISSION

[Ex Parte 241; Rule 19, Exemption 19]

BALTIMORE AND OHIO RAILROAD CO. ET AL.

Exemption from Mandatory Car Service Rules

It appearing, that there has been a substantial increase in the movement of grain and grain products originating at stations on the railroads listed herein; that major harvests of corn, milo, and soybean are commencing in the areas

served by these railroads; that boxcar supplies available to these railroads are inadequate to meet all of the needs of the shippers served by them; that surpluses of plain boxcars exist on certain railroads; and that these railroads have consented to the use of their cars by the railroads listed herein.

It is ordered, That pursuant to the authority vested in me by Car Service Rule 19, plain boxcars described in the Official Railway Equipment Register, ICC R.E.R. No. 384, issued by W. J. Trezise, or successive issues thereof, as having mechanical designation XM, with inside length 44 feet 6 inches or less and regardless of door width, owned by the following railroads:

The Baltimore & Ohio Railroad Co.
Bangor & Aroostook Railroad Co.¹
The Chesapeake & Ohio Railway Co.
Delaware & Hudson Railway Co.
The Denver & Rio Grande Western Railroad Co.¹
Illinois Terminal Railroad Co.¹
Toledo, Peoria & Western Railroad Co.¹

are exempt from the provisions of Car Service Rules 1 and 2 when located empty on, or loaded by, any of the lines named below:

The Atchison, Topeka & Santa Fe Railway Co.
Burlington Northern, Inc.

The Colorado & Southern Railway Co.
Forth Worth & Denver Railway Co.
Chicago & Eastern Illinois Railroad Co.
Chicago & North Western Railway Co.
Chicago, Milwaukee, St. Paul, & Pacific Railroad Co.
Chicago, Rock Island, & Pacific Railroad Co.
Illinois Central Gulf Railroad Co.
Missouri-Kansas-Texas Railroad Co.
Missouri Pacific Railroad Co.
Norfolk & Western Railway Co.
(Lines Connorsville, Ind., and Montpelier, Ohio, and west, including stations on line between Connorsville and Montpelier via New Castle, Muncie, Bluffton, Kingsland, Fort Wayne, and Butler, Ind.)

St. Louis-San Francisco Railway Co.
St. Louis Southwestern Railway Co.
Soo Line Railroad Co.
Union Pacific Railroad Co.

Effective September 14, 1972.

Expires November 15, 1972.

Issued at Washington, D.C., September 14, 1972.

INTERSTATE COMMERCE
COMMISSION,
R. D. PFAHLER,
Agent.

[FR Doc.72-16125 Filed 9-20-72; 8:51 am]

[Ex Parte 241; Rule 19, Exemption 20]

SEABOARD COAST LINE RAILROAD CO.

Exemption from Mandatory Car Service Rules

It appearing, that there is an emergency movement of military impedimenta from Camp Lejeune, N.C., to Fort Stewart, Ga.; that the originating carrier has insufficient system cars of suitable dimensions immediately avail-

¹ Addition.

able for loading with this traffic; that sufficient cars of other ownerships having suitable dimensions are available on the lines of the originating carrier and on its connections; and that compliance with Car Service Rules 1 and 2 would prevent the timely assembly and use of such cars.

It is ordered, That pursuant to the authority vested in me by Car Service Rule 19, the Car Service Division of the Association of American Railroads is authorized to direct the movement to the Seaboard Coast Line Railroad Co., the railroads designated by the Car Service Division are authorized to move to, and the Seaboard Coast Line Railroad Co. is authorized to accept, assemble, and load not to exceed forty (40) empty cars with military impedimenta from Camp Lejeune, N.C., to Fort Stewart, Ga., regardless of the provisions of Car Service Rules 1(b), 2(c), 2(d), or 2(e).

Effective September 22, 1972.

Expires November 15, 1972.

Issued at Washington, D.C., September 15, 1972.

INTERSTATE COMMERCE
COMMISSION,
R. D. PFAHLER,
Agent.

[FR Doc.72-16126 Filed 9-20-72; 8:51 am]

[Rev. S.O. 994; Rev. I.C.C. Order 71, Amdt. 5]

RAILROADS OPERATING IN CERTAIN STATES

Rerouting or Diversion of Traffic

Upon further consideration of Revised ICC Order No. 71 (Railroads operating in the States of Maryland, Delaware, Pennsylvania, and New York) and good cause appearing therefor:

It is ordered, That:

Revised ICC Order No. 71 be, and it is hereby, amended by adding the following paragraph (h) thereto:

(h) *Exception:* The provisions of Revised ICC Order No. 71 Under Revised Service Order No. 994 shall not apply to traffic originally routed via Penn Central-Wilkes Barre-Delaware and Hudson or Delaware and Hudson-Wilkes Barre-Penn Central, which traffic shall be rerouted under authority of Revised Service Order No. 1110.

It is further ordered, That this amendment shall become effective at 12:01 a.m., September 18, 1972, and that this amendment shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and car hire agreement under the terms of that agreement, and upon the American Short Line Railroad Association; and that it be filed with the Director, Office of the Federal Register.

Issued at Washington, D.C., September 15, 1972.

INTERSTATE COMMERCE
COMMISSION,
R. D. PFAHLER,
Agent.

[FR Doc.72-16127 Filed 9-20-72; 8:51 am]

[No. 35643]

SCHUSTER'S EXPRESS, INC.**Petition for Declaratory Order;
Consolidation Services**

AUGUST 7, 1972.

By petition filed on June 26, 1972, Schuster's Express, Inc., requests the Commission to enter a declaratory order pursuant to section 554(e) of the Administrative Procedure Act, 5 U.S.C. § 554(e), determining the various factors which would constitute the "totality of circumstances" under which an affiliated company of a regulated carrier may provide consolidation service to shippers without the requirement that the regulated carrier publish the charges for the service in its tariffs. In support of its request, petitioner alleges substantially as follows:

1. In No. 35093, Schuster's Express, Inc.—Investigation of Practices (not printed, decision and order of Review Board Number 4, dated August 12, 1970), the Commission found that sections 216 and 217 of the Interstate Commerce Act required Schuster's Express to incorporate in its tariffs the charges for consolidation services performed by two of its affiliates, namely, ConnMass Packing Co., Inc., and ConnMass Packing and Trucking Co., Inc. In making the determination, the Commission stated that it considered the "totality of circumstances," and that the mere affiliation between Schuster's Express and the other two companies was not the controlling factor.

2. Consolidation service, in and of itself, is not subject to regulation by the Commission.

3. If a regulated motor carrier provides consolidation service, it must publish the charges therefor in its tariffs; and the charges must be just and reasonable.

4. Carriers may not refuse to handle shipments which have been consolidated by the shipper or its agent.

5. There is a question of whether the charges for consolidation services performed by an affiliate of a regulated carrier must be published in the carrier's tariffs. No such requirement was made in Aggregate Rates on Wearing Apparel, 318 ICC 287; on the other hand, it was made in No. 35093, supra, where the Commission did not specify the factors that were and are to be considered in determining what constitutes the "totality of circumstances."

6. Certain carriers offer consolidation services to the shipping public through wholly owned subsidiaries, although none of them publishes any tariffs therefor. These companies, with their affiliates shown in parentheses, are: Adley Express Co. (Jet Consolidating); Blue Line Express, Inc. (Massachusetts Consolidation); Boston and Taunton Transportation Co. (Bos-Taun Consolidators); Hartman Transportation Co., Inc. (American Consolidating Co., Inc.); Hemingway Transport, Inc. (Hemco); Highway Express Co. (Hub Consolidating Service Co., Inc.); M & M Transportation Corp. (Mutual Consolidating); Plymouth Rock Transportation Corp. (Puritan

Packing); Shulman, Inc. (Shulco); Stone Express, Inc. (Paco, Inc.); and Yale Transport Corp. (Nationwide Packing). Schuster is placed at a disadvantage with these competitive companies.

7. Schuster's Express has published the charges for the consolidation services performed by its affiliates, and these have become effective; hence, it is presumed that the tariff satisfies the requirements of sections 216 and 217 of the act. Schuster's Express now desires to have its affiliates publish their own charges, as is done by affiliates of its competitors. The services are performed by the affiliates. Since, however, Schuster's Express publishes the charges, questions of liability have arisen even though loss of, or damage to, a shipment may have resulted from the acts of the consolidator and not of the carrier.

8. In No. 35093, supra, a cease and desist order was issued by the Commission. Despite the fact that the Commission has recognized that mere affiliation between the consolidator and the motor carrier does not require tariff publication by the carrier, if Schuster's Express follows the same practices of its competitors, it runs the risk of violating the cease and desist order. Unless its rights and those of comparable carriers all over the United States are defined by the instant petition, Schuster's Express would be subject to civil and criminal liability. Additionally, it would be subject to a finding of unfitness which would affect its ability to acquire any other carrier in a future section-5 proceeding or to extend its authority by an application proceeding under section 207 of the act.

9. Schuster's Express seeks to avoid any operations which may be deemed to violate the provisions of the act. Accordingly, it requests the Commission to declare and to determine the circumstances under which its affiliates and those of other carriers may provide consolidation service without the necessity for publishing a tariff covering these services.

10. Schuster's Express represents to the Commission that ConnMass Packing Co., Inc., and ConnMass Packing and Trucking Co., Inc., are its affiliates; that these affiliates will provide the consolidation services, each having its own employees and facilities; that, to the extent Schuster's Express provides any indirect services for its affiliates, they will make reimbursement through appropriate charges; and that the charges to be assessed will be just and reasonable and will not be predicated upon the carrier ultimately performing over-the-road transportation.

Any person interested in the matter which is the subject of the petition and who wishes to participate actively in any further proceedings herein shall notify this Commission, by filing with the Office of Proceedings, Room 5354, 12th and Constitution Avenue NW., Washington, D.C., 20423, within 30 days of the date of publication of this notice in the FEDERAL REGISTER, an original and one copy of a statement of his intention to participate. Thereafter, the nature of further proceedings herein, if any (which might in-

clude reopening of No. 35093 and consolidation herewith), will be designated. The petition and statements of intent to participate, if any, will be available for public inspection at the offices of the Interstate Commerce Commission, during regular business hours.

A copy of this notice will be served upon the petitioner, and notice of the filing of the petition will be given to the general public by depositing a copy of this notice in the Office of the Secretary of the Commission at Washington, D.C., and by delivering a copy hereof to the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER.

[SEAL]

ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16128 Filed 9-20-72; 8:51 am]

[Notice No. 80]

ASSIGNMENT OF HEARINGS

SEPTEMBER 18, 1972.

Cases assigned for hearing, postponement, cancellation or oral argument appear below and will be published only once. This list contains prospective assignments only and does not include cases previously assigned hearing dates. The hearings will be on the issues as presently reflected in the Official Docket of the Commission. An attempt will be made to publish notices of cancellation of hearings as promptly as possible, but interested parties should take appropriate steps to insure that they are notified of cancellation or postponements of hearings in which they are interested.

MC 51146 Sub 246, Schneider Transport & Storage, Inc., now assigned September 18, 1972, at Chicago, Ill., is postponed indefinitely.

MC 129291 Sub 5, McDaniel Motor Express, Inc., now being assigned December 4, 1972 (1 week), at Frankfort, Ky., in a hearing room to be later designated.

MC 117799 Sub 17, Best Way Frozen Express, Inc., now being assigned hearing November 13, 1972 (1 week), at Philadelphia, Pa., in a hearing room to be later designated.

MC 136383, Recreational Transportation for the Aged, Inc., now assigned October 2, 1972, will be held in Room B-2231, 26 Federal Plaza, New York, N.Y.

MC-F-11557, Thousand Island Bus Lines, Inc. — Purchase (Portion) — Greyhound Lines, Inc., MC 1515 Sub 179, Greyhound Lines, Inc., now assigned October 5, 1972, will be held in the Federal Courtroom, U.S. Post Office Building, 431 State Street, Ogdensburg, NY.

I & S M-25977, Classification of gelatin capsules, now assigned September 27, 1972, at Washington, D.C., is postponed to October 17, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

I & S M-25955, Classification ratings on candy or confectionery, now assigned October 3, 1972, at Washington, D.C., is postponed to October 19, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

I & S 8764, Fruits and vegetables, Eastbound Transcontinental, now assigned October 30, 1972, at Washington, D.C., is postponed to January 3, 1973, at the Offices of the Interstate Commerce Commission, Washington, D.C.

AB-5-1, George P. Baker, Richard C. Bond, Jervis Langdon, Jr., and Willard Wirtz, trustees of the property of Penn Central Transportation Co., debtor, abandonment between Williamsport, Pa., and Southport, N.Y., in Lycoming, Tioga, and Bradford Counties, Pa., and Chemung County, N.Y., continued to September 21, 1972, at the Offices of the Interstate Commerce Commission, Washington, D.C.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16129 Filed 9-20-72;8:51 am]

[Notice 125]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 14, 1972.

The following are notices of filing of applications¹ for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR 1131) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 8535 (Sub-No. 39 TA), filed September 1, 1972. Applicant: GEORGE TRANSFER AND RIGGING COMPANY, INCORPORATED, Post Office Box 500, Interstate 83 at Route 439, Parkton, MD 21120. Applicant's representative: James B. Nestor (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Composition board and materials and accessories* used or useful in the installation thereof, from Deposit, N.Y., to points in Pennsylvania, Virginia, and West Virginia, for 180 days. Supporting shipper: David H. Wetzel, Traffic Manager, the Celotex Corp., Post Office Box 22602, Tampa, FL 33622. Send protests to: William L. Hughes, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 814-B Federal Building, Baltimore, Md. 21201.

No. MC 10223 (Sub-No. 5 TA), filed September 5, 1972. Applicant: ROBERT

E. MACK, CARL BROWN, SOPHIE R. MACK, ESTELLE M. FRUN, AND THERESA R. MOLLOY, doing business as MACK TRANSPORTATION COMPANY, 4300-32 Torresdale Avenue, Philadelphia, PA 19124. Applicant's representative: John W. Frame, Box 626, 2207 Old Gettysburg Road, Camp Hill, PA 17011. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities as are dealt in by department stores, between the stores and facilities of Bamberger's, Division of R. H. Macy & Co., Inc., at Nanuet, N.Y., and Bloomfield, N.J., for 150 days.* Supporting shipper: Bamberger's, a division of R. H. Macy & Co., Inc., Newark, N.J. 07101. Send protests to: F. W. Doyle, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1518 Walnut Street, Room 1600, Philadelphia, PA 19102.

No. MC 13806 (Sub-No. 39 TA) filed August 30, 1972. Applicant: VIRGINIA HAULING COMPANY, Post Office Box 9525, Lakeside Station, Richmond, VA 23228, Mountain Road Office: Glen Allen, Va. 23060. Applicant's representative: Shearer C. Bowman (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fireplace logs made from sawdust, mixed with petroleum wax, from the plant and warehouse of Old Kentucky Log Co., Orange, Va., to points in Alabama, Florida, Georgia, Illinois, Indiana, Iowa, Maryland, Michigan, Connecticut, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New Jersey, North Carolina, Ohio, Pennsylvania, South Carolina, West Virginia, and Wisconsin, for 180 days.* Supporting shipper: Husky Industries, 62 Perimeter Center East, Atlanta, GA 30346. Send protests to: Robert W. Waldron, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 10-502 Federal Building, Richmond, Va. 23240.

No. MC 21455 (Sub-No. 29 TA), filed August 22, 1972. Applicant: GENE MITCHELL CO., 1106 Division Street, West Liberty, IA 52776. Applicant's representative: Kenneth F. Dudley, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Precut buildings, materials, and hardware, from Scranton, Pa., to points in Connecticut, Delaware, Indiana, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Rhode Island, Virginia, and West Virginia, for 180 days.* Supporting shipper: Lindal Homes N. E., Inc., Post Office Box 120, West Scranton, PA 18504. Send protests to: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 26396 (Sub-No. 59 TA), filed September 1, 1972. Applicant: POPELKA TRUCKING CO., doing business as THE WAGGONERS, Post Office Box 990, 201 West Park, Livingston, MT 59047. Appli-

cant's representative: Wayne Waggoner (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Siding, roofing, and other component parts and accessories for mobile homes, modular and assembled buildings, recreational vehicles and campers; aluminum articles, aluminum pipe or tubing, coil sheet and/or plate; and rejected or damaged shipments of the same material as above, scrap aluminum, and pallets on a return movement, from Boise, Idaho to points in Montana, for 180 days.* Supporting shipper: Amax Building Products, 28921 East Highway 74 (Post Office Box 1058), Perris Valley, CA 92370. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Room 251, U.S. Post Office Building, Billings, Mont. 59101.

No. MC 43475 (Sub-No. 54 TA), filed August 31, 1972. Applicant: GLENDENNING MOTORWAYS, INC., 1665 West County Road C-Roseville, St. Paul, MN 55113. Applicant's representative: James L. Nelson, 325 Cedar Street, St. Paul, MN 55101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Bentonite clay, in bags, from Burnett, Minn., to points in Wisconsin, and to points in Illinois on and north of a line beginning at the junction of U.S. Highway 30 with the Illinois-Indiana State line, thence west over U.S. Highway 30 to junction Interstate Highway 80 at or near Joliet, Ill., thence west over Interstate Highway 80 to junction Interstate Highway 280, thence west over Interstate Highway 280 to Rock Island, Ill., including points on said highways; and (2) returned or rejected shipments, and equipment, materials, and supplies used in the mining and processing of bentonite clay, from the destination territory described in (1) above, to Burnett, Minn., the authority sought in part (2) above being restricted against the movement of commodities in bulk and those which because of size or weight require special handling or the use of special equipment, for 180 days.* Supporting shipper: Hallett Minerals Co., Post Office Box 7024, Duluth, MN 55807. Send protests to: District Supervisor Raymond T. Jones, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South 4th Street, Minneapolis, MN 55401.

No. MC 44639 (Sub-No. 57 TA), filed September 5, 1972. Applicant: L. & M. EXPRESS CO., INC., 220 Ridge Road, Lyndhurst, NJ 07071. Applicant's representative: Herman B. J. Weckstein, 60 Park Place, Newark, NJ 07102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Wearing apparel; and (2) materials and supplies used in the manufacture of wearing apparel between Powhatan, Va., on the one hand, and, on the other, Crewe, Va., and the New York, N.Y., commercial zone, for 180 days.* Supporting shipper: Jo-Matthews, Inc., 525 Seventh Avenue, New York, NY. Send protests to: District Supervisor Joel Morrows, Interstate Commerce

¹Except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

Commission, Bureau of Operations, 970 Broad Street, Newark, NJ 07102.

No. MC 51146 (Sub-No. 291 TA), filed September 5, 1972. Applicant: SCHNEIDER TRANSPORT, INC., 2661 South Broadway, Green Bay, WI 54304, Post Office Box 2298, Green Bay, WI 54306. Applicant's representative: Neil Du Jardin (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Glass containers*, from Oil City, Pa., to Oconto and Burlington, Wis., for 180 days. Supporting shipper: National Can Corp., Midway Center, 5959 South Cicero Avenue, Chicago, IL 60638. Send protests to: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 55037 (Sub-No. 11 TA), filed September 6, 1972. Applicant: DEARMIN TRANSFER, INC., Highway 61, Wapello, Iowa 52653. Applicant's representative: Kenneth F. Dudley, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, fabricated and prefabricated trusses, from Burlington, Iowa, to points in the Chicago, Ill., commercial zone, for 180 days. Supporting shipper: Modern Welding Co., Post Office Box 806, Burlington, IA 52611. Send protests to: Transportation Specialist Herbert W. Allen, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 60106 (Sub-No. 3 TA), filed August 29, 1972. Applicant: RICHMOND BEACH FUEL & TRANSFER, INC., Post Office Box 4, Richmond Beach, WA 98160. Applicant's representative: George R. La Bissoniere, 1424 Washington Building, Seattle, Wash. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages and advertising matter* when moving in conjunction with full loads of malt beverages, from Seattle, Wash., to Watsonville, Berkeley, San Jose, Santa Cruz, San Francisco, San Carlos, Oakland, Modesto, Napa, Sacramento, Santa Rosa, San Rafael, Eureka, Merced, Stockton, Chico, Pittsburg, Hanford, Navato, and Suisen City, Calif., for 180 days. Supporting shipper: Sicks' Rainier Brewing Co., 3100 Airport Way South, Seattle, WA 98134. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 60122 (Sub-No. 7 TA), filed August 23, 1972. Applicant: JOHN VIANO AND EDWARD VIANO, doing business as VIANO BROTHERS, Harding Highway, Landisville, N.J. 08326. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *malt beverages*, in containers, from the plant facility of F&M Schaefer Brewing Co. at Allentown, Pa. to Landisville, N.J., for

180 days. Supporting shipper: Thomas Fornataro, Inc., Buena Vista Avenue, Landisville, N.J. 08326. Send protests to: District Supervisor Richard M. Regan, Interstate Commerce Commission, Bureau of Operations, 428 East State Street, Room 204, Trenton, NJ 08608.

No. MC 78040 (Sub-No. 7 TA), filed September 6, 1972. Applicant: BOYD TRANSFER COMPANY, a corporation, 4600 East Fayette Street, Baltimore, MD 21224. Applicant's representative: William J. Augello, Jr., 103 Ft. Salonga Road, Northport, NY 11768. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *New furniture* from Totowa, N.J. to Baltimore, Md., restricted to the transportation of shipments having an immediately prior movement by rail or motor carrier, for 180 days. Supporting shipper: Mr. Ralph M. Rehbock, Turner Mfg. Co., 2309 South Keeler Avenue, Chicago, IL 60623. Send protests to: District Supervisor William L. Hughes, Interstate Commerce Commission, Bureau of Operations, 814-B Federal Building, Baltimore, Md. 21201.

No. MC 107496 (Sub-No. 861 TA), filed September 5, 1972. Applicant: RUAN TRANSPORT CORPORATION, Third and Keosauqua Way, Post Office Box 855 (50304), Des Moines, IA 50309. Applicant's representative: E. Check (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Liquid feed, liquid feed supplements*, in bulk, from the plantsite of Cargill, Inc., located in Scott County, Iowa, to points in Missouri on and north of Interstate Highway 44, in Illinois on and north of Interstate Highway 70, in Wisconsin on and south of Highway 8, and in Minnesota on and south of Highway 12; and (2) *molasses*, in bulk, from the plantsite of Cargill, Inc., located in Scott County, Iowa, to points in Illinois on and north of Interstate Highway 70 and in Wisconsin on and south of Highway 8, for 150 days. Supporting shipper: Cargill Molasses Department, Commodity Marketing Division, Cargill Inc., Cargill Building, Minneapolis, Minn. 55402. Send protests to: Herbert W. Allen, Transportation Specialist, Interstate Commerce Commission, Bureau of Operations, 677 Federal Building, Des Moines, Iowa 50309.

No. MC 111170 (Sub-No. 193 TA), filed August 31, 1972. Applicant: WHEELING PIPE LINE, INC., Post Office Box 1718, 2811 West Avenue, El Dorado, AR 71730. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, from Sterlington, La., to Molybdenum, N. Mex. (located 5 miles east of Questa, N. Mex.), for 180 days. Supporting shipper: Commercial Solvents Corp., Distribution Division, Post Office Box 207, Terre Haute, IN 47808. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 111434 (Sub-No. 84 TA), filed August 30, 1972. Applicant: DON WARD, INC., 241 West 56th Avenue, Denver, CO 80216, Office: Post Office Box 1488, Durango, CO 81301. Applicant's representative: Peter J. Crouse, 1700 Western Federal Building, Denver, Colo. 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Hydrated lime*, in bulk, from Pete Lien & Sons, Inc., plant, 3 miles north of Rapid City, S. Dak., to highway construction sites at or near Monticello, Harley Dome, Cove Fort, Ogden, Brigham City, and Salt Lake City, Utah, and Pocatello, Idaho, for 90 days. Supporting shipper: Pete Lien & Sons, Inc., Post Office Box 3124, Rapid City, SD 57701. Send protests to: District Supervisor Roger L. Buchanan, 2022 Federal Building, 1961 Stout Street, Denver, CO 80202.

No. MC 113828 (Sub-No. 204 TA), filed August 28, 1972. Applicant: O'BOYLE TANK LINES, INCORPORATED, Post Office Box 30006, Washington, DC 20014, Office: 5320 Marinelli Drive, Montrose Industrial Park, Rockville, MD 20852. Applicant's representative: Michael A. Grimm (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Salt cake*, in bulk, from Norfolk, Va., to Franklin, Va., for 180 days. NOTE: This transportation is part through shipment from overseas. Supporting shipper: Leonard J. Buck, Inc., 299 Madison Avenue, Morristown, NJ 07960. Send protests to: Robert D. Caldwell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 12th and Constitution Avenue NW., Washington, DC 20423.

No. MC 115092 (Sub-No. 20 TA), filed August 31, 1972. Applicant: WEISS TRUCKING, INC., Post Office Box O, Vernal, UT 84078. Applicant's representative: E. L. Kier (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Ornamental iron and parts therefor, lamp and mailbox posts, and fittings thereof*, and when shipped with any of the foregoing, *cement compound and promotional materials*, from Decatur, Ind., to points in Arizona, Colorado, California, Oregon, Washington, Idaho, Nevada, Utah, New Mexico, and Texas, for 180 days. Supporting shipper: Gilpin, Inc., Box 226, Decatur, IN 46733 (Max Gilpin, vice president). Send protests to: Lyle D. Helfer, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 125 South State Street, Salt Lake City, UT 84111.

No. MC 116077 (Sub-No. 331 TA), filed September 1, 1972. Applicant: ROBERTSON TANK LINES, INC., 2000 West Loop S., Suite 1800, Houston, TX 77027. Applicant's representative: J. C. Brown-Schuster's Express provides any indirect der, Traffic Manager (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes transporting *Melamine*,

in bulk, in tank vehicles from the plant-site of American Cyanamid Co., Avondale, La., to points in Wallingford, Conn.; Coshocton, Ohio; Odenton, Md.; and Sharonville, Ohio, for 180 days. Supporting shipper: American Cyanamid Co., Post Office Box 10008, New Orleans, LA 70121. Send protests to: District Supervisor John C. Redus, Interstate Commerce Commission, Bureau of Operations, Post Office Box 61212, Houston, TX 77061.

No. MC 116915 (Sub-No. 9 TA), filed September 1, 1972. Applicant: ECK MILLER TRANSPORTATION CORPORATION, Post Office Box 1279, 1125 Sweeney Street, Owensboro, KY 42301. Applicant's representative: Carl U. Hurst, Post Office Box E, Bowling Green, KY 42101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Telephone equipment, materials, and supplies, including tools used in the construction and maintenance of telephone systems and communications, between Owensboro, Ky., and points in Breckinridge, Ohio, Daviess, Grayson, Hancock, Henderson, Hopkins, McLean, Muhlenberg, Union, and Webster Counties, Ky., for 180 days. Supporting shipper: J. F. Ballard, Resident, Transportation Manager, Southern Region, Western Electric, 6701 Roswell Road NE., Atlanta, GA 30328. Send protests to: Wayne L. Merilatt, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 426 Post Office Building, Louisville, KY 40202.*

No. MC 117119 (Sub-No. 461 TA), filed September 5, 1972. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., Post Office Box 188, Elm Springs, AR 72728. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *Fabricated fireplace logs* from Orange, Va., to points in Illinois, Indiana, Iowa, Michigan, Ohio, and Wisconsin, for 180 days. Supporting shipper: Husky Industries, Inc., 4040 East Louisiana Avenue, Denver, CO 80222. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 117119 (Sub-No. 462 TA), filed September 5, 1972. Applicant: WILLIS SHAW FROZEN EXPRESS, INC., Post Office Box 188, Elm Springs, AR 72728. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities as are dealt in or used by wholesale or retail discount or variety stores, from New York, N.Y., to Bentonville, Ark., for 180 days. Supporting shipper: Wal-Mart Stores, Inc., Post Office Box 116, Bentonville, AR 72712. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.*

No. MC 117565 (Sub-No. 67 TA), filed August 28, 1972. Applicant: MOTOR SERVICE COMPANY, INC., Route 3,

Post Office Box 448, Coshocton, OH 43812. Applicant's representative: John R. Hafner (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting *Trailers* from points in Tuscarawas County, Ohio, to points in Indiana, Kentucky, Maryland, Michigan, Pennsylvania, and West Virginia, for 180 days. Supporting shipper: Skyline Corp., Elkhart, Ind. Send protests to: District Supervisor Frank L. Calvary, Interstate Commerce Commission, Bureau of Operations, 225 Federal Building and U.S. Courthouse, 85 Marconi Boulevard, Columbus, OH 43215.

No. MC 117799 (Sub-No. 40 TA), filed September 5, 1972. Applicant: BEST WAY FROZEN EXPRESS, INC., Room 205, 3033 Excelsior Boulevard, Minneapolis, MN 55416. Applicant's representative: K. O. Petrick (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Foodstuffs*; (2) *pet foods and pet supplies*; (3) *household buffing and polishing compounds*; and (4) *commodities, the transportation of which are within the partial exemption of section 203(b)(6) of the I.C.A., from the plantsite and warehouse facilities of the R. T. French Co., Springfield, Mo., to points in Illinois, Iowa, Kansas, South Dakota, North Dakota, Minnesota, Nebraska, Wisconsin, Tennessee, Alabama, Mississippi, Louisiana, New Mexico, Texas, Arkansas, Oklahoma, and Missouri, for 180 days. Supporting shipper: The R. T. French Co., Rochester, N.Y. 14609. Send protests to: District Supervisor A. N. Spath, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South Fourth Street, Minneapolis, MN 55401.*

No. MC 117799 (Sub-No. 41 TA), filed September 5, 1972. Applicant: BEST WAY FROZEN EXPRESS, INC., Room 205, 3033 Excelsior Boulevard, Minneapolis, MN 55416. Applicant's representative: K. O. Petrick (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Foodstuffs*; (2) *pet foods and pet supplies*; (3) *household buffing and polishing compounds*; and (4) *commodities, the transportation of which are within the partial exemption of section 203(b)(6) of the I.C.A., from the plantsite and warehouse facilities of the R. T. French Co., Springfield, Mo., to points in Florida. Supporting shipper: The R. T. French Co., Rochester, N.Y. 14609. Send protests to: District Supervisor A. N. Spath, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building, 110 South Fourth Street, Minneapolis, MN 55401.*

No. MC 123233 (Sub-No. 39 TA), filed August 30, 1972. Applicant: PROVOST CARTAGE INC., 7887 Second Avenue, Ville d'Anjou 437, Quebec, Canada. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid asphalt*, in bulk, in tank vehicles, from the Ports of Entry on the international border line

between the United States and Canada located at or near Derby Line and Highgate Springs, Vt., to points in Vermont, restricted to traffic originating in Canada, for 180 days. Supporting shipper: L. M. Pike & Son, Inc., Tilton, N.H. 03276. Send protests to: District Supervisor Martin P. Monaghan, Jr., Interstate Commerce Commission, Bureau of Operations, 52 State Street, Room 5, Montpelier, VT 05602.

No. MC 123255 (Sub-No. 26 TA), filed August 29, 1972. Applicant: B & L MOTOR FREIGHT, INC., 140 East Everett Avenue, Newark, OH 43055. Applicant's representative: C. F. Schnee, Jr. (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages*, from Bensenville, Ill., to points in Ohio, for 180 days. Supporting shipper: Miller Brewing Co., Milwaukee, Wis. Send protests to: District Supervisor Frank L. Calvary, Interstate Commerce Commission, Bureau of Operations, 255 Federal Building and U.S. Courthouse, 85 Marconi Boulevard, Columbus, OH 43215.

No. MC 129615 (Sub-No. 11 TA), filed September 1, 1972. Applicant: AMERICAN INTERNATIONAL DRIVE-AWAY, 2000 West 16th Street, Long Beach, CA 90813. Applicant's representative: E. D. Helmer (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Motor homes, campers and recreational vehicles in driveway service, between points in Cincinnati, Columbus, Kent, Lima, Lorain, Newark, and Warren, Ohio, on the one hand, and, on the other, points in the United States, for 180 days. Supporting shippers: The Cortez Corp., 777 Stow Street, Kent, OH 44240; Sightseer Corp., subsidiary of PRF Industries, Inc., Mid-Ohio Industrial Park, Post Office Box 2186, Newark, OH 43055. Send protests to: John E. Nance, Officer-in-Charge, Interstate Commerce Commission, Bureau of Operations, Room 7708, Federal Building, 300 North Los Angeles Street, Los Angeles, CA 90012.*

No. MC 136989 (Sub-No. 1 TA), filed September 5, 1972. Applicant: R. F. BOX, doing business as, R. F. BOX TRUCKING, 1401 Dartmouth Drive NE., Albuquerque, NM 87106. Applicant's representative: Edwin E. Piper, Jr., 715 Simms Building, Albuquerque, N. Mex. 87101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Floor covering (except carpeting and rugs), from the plantsite of G.A.F. Corp. at or near Whitehall Township (Allentown), Pa., to points in New Mexico; El Paso County, Tex., Montezuma, La Plata, Archuleta, Conejos, Costilla, and Las Animas Counties, Colo.; (2) light fixtures, from the plantsite of Progress Lighting (a division of L.C.A. Corp.), at Philadelphia, Pa., to points in New Mexico; El Paso County, Tex.; Montezuma, La Plata, Archuleta, Conejos, Costilla, and Las Animas Counties, Colo., for the account of New Mexico Supply*

Co., Albuquerque, N. Mex.; and (3) *floor covering* (except carpeting and rugs), from the plantsite of G.A.F. Corp. at or near Whitehall Township (Allentown), Pa., to points in Arizona, Nevada, Utah, California, Oregon, and Washington, for the account of Murray B. Marsh Co., Inc., Los Angeles, Calif., for 180 days. Supporting shippers: New Mexico Supply Co., 101 Industrial Avenue NE., Albuquerque, NM 87107; Murray B. Marsh Co., 3730 Union Pacific Avenue, Los Angeles, CA 90023. Send protests to: William R. Murdoch, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1106 Federal Office Building, 517 Gold Avenue SW., Albuquerque, NM 87101.

No. MC 138011 TA, filed September 5, 1972. Applicant: TRANS WESTERN TRANSPORT, INC., 901 East Glendale Avenue, Sparks, NV 89431. Applicant's representative: Francis L. Ortman, 1100 Seventeenth Street NW., Washington, DC 20036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except those of unusual value, class A and B explosives, household goods as defined by the Commission, commodities in bulk, and commodities requiring special equipment), from Sparks, Nev., to points in California, for 180 days. Supporting shipper: Pacific Freeport Warehouse Co., Post Office Box 607, Sparks, NV 89431. Send protests to: District Supervisor Robert G. Harrison, Bureau of Operations, Interstate Commerce Commission, 203 Federal Building, 705 North Plaza Street, Carson City, NV.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16130 Filed 9-20-72; 8:51 am]

[Notice 126]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

SEPTEMBER 15, 1972.

The following are notices of filing of applications¹ for temporary authority under section 210(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR 1131) published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to

the service which such protestant can and will offer, and must consist of a signed original and six copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 96165 (Sub-No. 13 TA), filed September 6, 1972. Applicant: T. DEL FARNO TRUCKING CO., 10 Ward Avenue, North Providence, RI 02908. Applicant's representative: Frank J. Weiner, 15 Court Square, Boston, MA 02108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Concrete products*, from Kresson, N.J., to Lincoln and Providence, R.I., and Framingham, Weymouth, and Waltham, Mass., for 180 days. Supporting shipper: Duraflex Sales & Service Corp., Post Office Box 303, Lincoln, RI 02865. Send protests to: Gerald H. Curry, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 187 Westminster Street, Providence, RI 02903.

No. MC 103498 (Sub-No. 28 TA), filed September 6, 1972. Applicant: W. D. SMITH TRUCK LINE, INC., Post Office Drawer C, DeQueen, AR 71832. Applicant's representative: Kon T. Jack, Jr., Tower Building, Little Rock, AR 72201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Boards*, composed of wood fiber and cement combined and accessories therefor, when moving incidental to and in the same vehicle with subject boards, from plantsite and warehouse of the Gold Bond Building Products, Division of National Gypsum Co. at or near Arkadelphia, Ark., to points in Kansas and Missouri, for 180 days. Supporting shipper: Gold Bond Building Products, Division of National Gypsum Co., 325 Delaware Avenue, Buffalo, NY 14202. Send protests to: District Supervisor William H. Land, Jr., Bureau of Operations, Interstate Commerce Commission, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 111170 (Sub-No. 194 TA), filed September 6, 1972. Applicant: WHEELING PIPE LINE, INC., Post Office Box 1718, 2811 North West Avenue, El Dorado, AR 71730. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Lube oil*, in bulk, from Norphlet, Ark., to Norfolk, Va., for 180 days. Supporting shipper: MacMillan Oil Co., Inc., 200 Petroleum Building, El Dorado, Ark. 71730. Send protests to: District Supervisor William H. Land, Jr., Interstate Commerce Commission, Bureau of Operations, 2519 Federal Office Building, 700 West Capitol, Little Rock, AR 72201.

No. MC 113635 (Sub-No. 4 TA), filed August 30, 1972. Applicant: S & S TRUCKING, INC., Alzada Star Route, Belle Fourche, S. Dak. 57717. Applicant's representative: Gene R. Bushnell, Post

Office Box 190, Rapid City, SD 57701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Bulk bentonite*; and (2) *soda ash* (1) between points in South Dakota, North Dakota, Minnesota, Wyoming, and Montana; (2) from points in Sweetwater County, Wyo., to Colony, Crook County, Wyo., via South Dakota Interstate Highways 34 and 212 through Belle Fourche, S. Dak., for 180 days. Supporting shippers: Wyoming Bentonite Operations, Baroid Division, NL Industries, Inc., Colony, Wyo.; International Minerals & Chemical Corp., Post Office Box 460, Belle Fourche, SD 57717. Send protests to: District Supervisor P. A. Naughton, Interstate Commerce Commission, Bureau of Operations, Room 1006, Federal Building and Post Office, 100 East B Street, Casper, WY 82601.

No. MC 115379 (Sub-No. 42 TA), filed August 30, 1972. Applicant: JOHN D. BOHR, INC., Post Office Box 217, Annville, PA 17003. Applicant's representative: Christian V. Graf, 407 North Front Street, Harrisburg, PA 17101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Prepared animal and poultry feed* from the plantsite of the Ralston Purina Co., Hampden Township (Camp Hill), Pa., to points in Delaware, Maryland, New Jersey, Pennsylvania, and New York, for 180 days. Supporting shipper: Ralston Purina Co., 35th and Edgemoor Avenue, Wilmington, Del. 19802. Send protests to: District Supervisor Robert W. Ritenour, Interstate Commerce Commission, Bureau of Operations, 508 Federal Building, Post Office Box 869, Harrisburg, PA 17108.

No. MC 115523 (Sub-No. 170 TA), filed September 6, 1972. Applicant: CLARK TANK LINES COMPANY, 1450 Beck Street, Post Office Box 1895 (84110), Salt Lake City, UT 84116. Applicant's representative: H. D. Stratford (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Fertilizer and fire retardant compounds*, from Erda, Utah, to points in Oregon, Washington, Idaho, Montana, Wyoming, California, Nevada, Utah, Colorado, Nebraska, Oklahoma, North Dakota, South Dakota, Kansas, Arizona, New Mexico, and Texas, and *return of the above from the destinations described above* to Erda, Utah, for 180 days. Supporting shipper: Micronutrients International, Inc., R.F.D. No. 1, Box 130 D, Tooele, Utah 84074 (D. W. Stoll, Secretary). Send protests to: Lyle D. Helfer, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 5239 Federal Building, 125 South State Street, Salt Lake City, UT 84111.

No. MC 123048 (Sub-No. 227 TA), filed August 31, 1972. Applicant: DIAMOND TRANSPORTATION SYSTEM, INC., 1919 Hamilton Avenue, Racine, WI 53403. Applicant's representative: Carl S. Pope (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes,

¹ Except as otherwise specifically noted, each applicant states that there will be no significant effect on the quality of the human environment resulting from approval of its application.

transporting: (1) *Tractors*; (2) *equipment* designed for use in conjunction with tractors; (3) *attachments* for the above described commodities; and (4) *parts of the above-described commodities*, from Fargo, N. Dak., to points in the United States (except Alaska and Hawaii), for 180 days. Supporting shipper: Steiger Tractor, Inc., 210 North 27th Street, Fargo, ND 58102 (Alan G. Priebe, Traffic Manager). Send protests to: District Supervisor John E. Ryden, Interstate Commerce Commission, Bureau of Operations, 135 West Wells Street, Room 807, Milwaukee, WI 53203.

No. MC 124688 (Sub-No. 10 TA), filed September 6, 1972. Applicant: INDEPENDENT DELIVERY, INC., 1000 South Weller Street, Seattle, WA 98104. Applicant's representative: John M. Delany (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Printed and unused checks, deposit slips, withdrawal forms, loan application forms, general ledger forms, and audit and accounting media*, between Portland, Oreg., and Centralia, Enumclaw, and Seattle, Wash.; and (2) *radiopharmaceuticals, radioactive drugs, medical isotopes and medical kits*, between points in Oregon and Washington, on the one hand, and, on the other, points in Oregon and Washington, on traffic having an immediately prior or subsequent movement by air, for 180 days. Supporting shippers: Bank Check Supply Co., Post Office Box 24307, Seattle, WA 98124; Abbott Laboratories, Radio-Pharmaceutical Products Division, Abbott Park, North Chicago, Ill. 60064; Mallinckrodt/Nuclear, Box 10172 Lambert Field, St. Louis, MO 63145. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 125952 (Sub-No. 17 TA), filed August 30, 1972. Applicant: INTERSTATE DISTRIBUTOR CO., 8311 Durango Street SW., Tacoma, WA 98499. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cake and cookies*, from Oakland, Calif., to Salt Lake City, Utah, and Denver and Colorado Springs, Colo., for 180 days. Supporting shipper: Mother's Cake and Cookies Co., 810 81st Avenue, Oakland, CA 94621. Send protests to: E. J. Casey, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 126739 (Sub-No. 9 TA), filed September 5, 1972. Applicant: MAHNEN-SMITH TRUCKING SERVICE, INC., Post Office Box 395, Office: 130 East Main Street, Van Buren, IN 46991. Applicant's representative: W. Meredith Peff (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Popcorn, popcorn and popping oil and salt, popcorn oil and salt,*

tin and/or fibre cans, KD corr boxes, polyethylene film, paper bags, burlap bags, and machinery used in packing and processing popcorn, from Van Buren, Ind., to points in Georgia, District of Columbia, Illinois, Indiana, Kansas, Kentucky, Maryland, Maine, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, and Wisconsin, and on return movement *popcorn, popping oil and salt, tin and/or fibre cans, KD corr boxes, polyethylene film, paper and burlap bags and machinery* used in processing and packaging popcorn, for 180 days. Supporting shipper: Weaver Popcorn Co., Inc., Van Buren, Ind. 46991. Send protests to: District Supervisor J. H. Gray, Bureau of Operations, Interstate Commerce Commission, 345 West Wayne Street, Room 204, Fort Wayne, IN 46802.

No. MC 128273 (Sub-No. 132 TA), filed August 30, 1972. Applicant: MIDWESTERN EXPRESS, INC., Post Office Box 189, 121 Humboldt Street, Fort Scott, KS 66701. Applicant's representative: Harry Ross (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Paper and paper products*, (1) from Champion International Corp. at or near Hamilton and Piqua, Ohio, to points in Kansas City, Mo., commercial zone and points in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Montana, Wyoming, Colorado, New Mexico, Idaho, Arizona, and Nevada; and (2) from Waynesville, Asheville, and Canton, N.C., Courtland, Ala., and Houston, Tex., to points in Kansas City, Mo., commercial zone and points in North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Montana, Wyoming, Colorado, New Mexico, Idaho, Utah, Arizona, Washington, Oregon, Nevada and California, for 180 days. Supporting shipper: Champion International Corp., formerly U.S. Plywood-Champion Papers, Inc., Hamilton, Ohio. Send protests to: M. E. Taylor, District Supervisor, Bureau of Operations, Interstate Commerce Commission, 501 Petroleum Building, Wichita, Kans. 67202.

No. MC 129516 (Sub-No. 9 TA), filed September 6, 1972. Applicant: PATTONS, INC., 2300 Canyon Road, Ellensburg, WA 98926. Applicant's representative: James T. Johnson, 1610 IBM Building, 1200 Fifth Avenue, Seattle, WA 98101. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Bananas and agricultural commodities* otherwise exempt from economic regulation under section 203(b) (6) of the Interstate Commerce Act, when moving in mixed shipments with bananas, from Seattle and Tacoma, Wash., and California to ports of entry on the United States-Canada boundary line at or near Raymond, Mont., and Portland and Pembina, N. Dak., for 180 days. Supporting shipper: Scott National Co., Ltd., Post Office Box 970, Calgary, AB, Canada. Send protests to: District Supervisor W. J. Huetig, Interstate Commerce Commission, Bureau of Opera-

tions, 450 Multnomah Building, 319 Southwest Pine Street, Portland, OR 97204.

No. MC 134323 (Sub-No. 28 TA), filed August 31, 1972. Applicant: JAY LINES, INC., 720 North Grand Street, Amarillo, TX 79107, Post Office Box 4146, Amarillo, TX 79105. Applicant's representative: Jay Trammell (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Household appliances*, (2) *furnaces*, (3) *air cleaners and conditioners*, (4) *humidifiers*, (5) *dehumidifiers*, and, (6) *related items*; except those which, because of size and weight, require the use of special equipment, from the plantsite of the Fedders Corp., Effingham, Ill., to points in Alabama, Arkansas, Colorado, Florida, Georgia, Kansas, Louisiana, Mississippi, Missouri, New Mexico, Oklahoma, and Texas, for 180 days. Supporting shipper: Robert C. McArthur, General Traffic Manager, Fedders Corp., Edison, N.J. 08817. Send protests to: District Supervisor Haskell E. Ballard, Interstate Commerce Commission, Bureau of Operations, Box H-4395 Herring Plaza, Amarillo, Tex. 79101.

No. MC 134323 (Sub-No. 29 TA), filed August 31, 1972. Applicant: JAY LINES, INC., 720 North Grand Street, Post Office Box 4146 (79105), Amarillo, TX 79107. Applicant's representative: Jay Trammell (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products, and meat byproducts, and articles distributed by meat packinghouses*, as described in sections A and C of Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from the storage facilities utilized by Missouri Beef Packers, Inc., at or near Lubbock, Tex., to points in Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Vermont, West Virginia, Wisconsin, and the District of Columbia, and Virginia, for 180 days. Supporting shipper: Norman L. Cummins, Vice President, Missouri Beef Packers, Inc., 630 Amarillo Building, Amarillo, Tex. 79101. Send protests to: Haskell E. Ballard, District Supervisor, Interstate Commerce Commission, Bureau of Operations, Box H-4395 Herring Plaza, Amarillo, TX 79101.

No. MC 134755 (Sub-No. 7 TA), filed August 31, 1972. Applicant: SPECIALTY TRANSPORT, INC., 135 State Street, Suite 200, Springfield, MA 01103. Applicant's representative: David Marshall (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Paper, paper products, and paper articles*, between Palmer, Thorn-dike, Bondsville, and Ludlow, Mass., on the one hand, and, on the other, points in

New York (except Mount Vernon, Beacon, Albany, New York City, Nassau, and Suffolk Counties), Pennsylvania (except points in Philadelphia, Delaware, Chester, Montgomery, and Bucks Counties), Ohio, Maryland, Delaware, and the District of Columbia, under a continuing contract with Diamond International Corp., for 180 days. Supporting shipper: Diamond International Corp., 733 Third Avenue, New York, NY 10017. Send protests to: District Supervisor Joseph W. Balin, Bureau of Operations, Interstate Commerce Commission, 338 Federal Building and U.S. Courthouse, 436 Dwight Street, Springfield, MA 01103.

No. MC 135007 (Sub-No. 15 TA), filed September 6, 1972. Applicant: AMERICAN TRANSPORT, INC., Post Office Box 37406, Millard, NE 68137. Applicant's representative: Charles J. Kimball, 2310 Colorado State Bank Building, Denver, Colo. 80202. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Carpeting and rugs*, from points in Dillon County, S.C., Laurens County, Ga., Washington County, Miss., to points in Minnesota, Iowa, Missouri, Arkansas, Louisiana, and all States west thereof, under contract with William Volker & Co., for 180 days. Supporting shipper: William Volker & Co., 945 California Drive, Burlingame, CA. Send protests to: Carroll Russell, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 711 Federal Office Building, 106 South 15 Street, Omaha, NE 68102.

No. MC 136040 (Sub-No. 1 TA), filed September 6, 1972. Applicant: ETHEL DOLIN, doing business as DOLIN'S TRUCKING, Route 2, No. 8 Nova Place, Charleston, WV 25314. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Flake petroleum pitch*, in bulk, in dump vehicles, from the plantsite of the Ashland Oil and Refining Co. at Leech, Ky., to the plantsite of the Union Carbide Corp. Technical Center at South Charleston, W. Va., for 180 days. Supporting shipper: Union Carbide Corp., Post Office Box 8361, South Charleston, W. Va. 25303. Send protests to: District Supervisor H. R. White, Interstate Commerce Commission, Bureau of Operations, 3108 Federal Office Building, 500 Quarrier Street, Charleston, WV 25301.

No. MC 136445 (Sub-No. 2 TA), filed August 31, 1972. Applicant: ZENITH TRANSPORT LTD., 2040 Alpha Avenue, Burnaby 2, BC Canada. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods and fresh fruits and vegetables* when moving with frozen foods, from points in Oregon, Washington, and California to United States-Canada boundary line at or near Blaine, Wash., restricted to traffic moving to warehouse storage or customer facilities of Woodward's Stores (Vancouver) Ltd., for 180

days. Supporting shipper: Woodward's Stores (Vancouver) Ltd., 101 West Hastings Street, Vancouver 3, British Columbia. Send protests to: District Supervisor E. J. Casey, Interstate Commerce Commission, Bureau of Operations, 6130 Arcade Building, Seattle, Wash. 98101.

No. MC 136863 TA (Correction), filed July 7, 1972, published in the FEDERAL REGISTER issue of July 28, 1972, corrected and republished in part as corrected this issue. Applicant: J.C.P. ENTERPRISES, INC., 110 Rector Street, Staten Island, NY 10310. Applicant's representative: Morton E. Kiel, 140 Cedar Street, New York, NY 10006. NOTE: The purpose of this partial republication is to include the territorial description of Bartonsville, Bethlehem, Camp Hill, Kutztown, Lancaster, Philadelphia, Pittsburgh, S. Canaan, Tinicum, Uniontown, Unionville, Weatherly, West Chester, and York, Pa., Alexandria, Norfolk, and Richmond, Va., which were inadvertently omitted in the previous publication. The rest of the application remains the same.

No. MC 136944 (Sub-No. 2 TA), filed August 31, 1972. Applicant: STANLEY E. MARSH, R.F.D. 3, Mt. Vernon, Mo. 65712. Applicant's representative: Turner White, 805 Woodruff Building, Springfield, Mo. 65806. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Alcoholic beverages*, except in bulk, from Peoria, Pekin, Lemont, and Plainfield, Ill., and St. Louis, Mo., to Oklahoma City, Okla., for 180 days. Supporting shipper: C & C Wholesale Liquor Co., 2 Northwest 11th Street, Oklahoma City, OK. Send protests to: District Supervisor John V. Barry, Interstate Commerce Commission, Bureau of Operations, 1100 Federal Office Building, 911 Walnut Street, Kansas City, MO 64106.

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

[FR Doc.72-16131 Filed 9-20-72; 8:51 am]

Office of Proceedings

[Notice No. 76]

MOTOR CARRIER, BROKER, WATER CARRIER, AND FREIGHT FORWARDER APPLICATIONS

SEPTEMBER 15, 1972.

The following applications (except as otherwise specifically noted, each applicant (on applications filed after March 27, 1972) states that there will be no significant effect on the quality of the human environment resulting from approval of its application), are governed by Special Rule 1100.247¹ of the Commission's general rules of practice (49 CFR as amended), published in the FEDERAL REGISTER issue of April 20, 1966, effective

¹ Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

May 20, 1966. These rules provide, among other things, that a protest to the granting of an application must be filed with the Commission within 30 days after date of notice of filing of the application is published in the FEDERAL REGISTER. Failure seasonably to file a protest will be construed as a waiver of opposition and participation in the proceeding. A protest under these rules should comply with section 247(d)(3) of the rules of practice which requires that it set forth specifically the grounds upon which it is made, contain a detailed statement of protestant's interest in the proceeding (including a copy of the specific portions of its authority which protestant believes to be in conflict with that sought in the application, and describing in detail the method—whether by joinder, interline, or other means—by which protestant would use such authority to provide all or part of the service proposed), and shall specify with particularity the facts, matters, and things relied upon, but shall not include issues or allegations phrased generally. Protests not in reasonable compliance with the requirements of the rules may be rejected. The original and one (1) copy of the protest shall be filed with the Commission, and a copy shall be served concurrently upon applicant's representative, or applicant if no representative is named. If the protest includes a request for oral hearing, such requests shall meet the requirements of section 247(d)(4) of the special rules, and shall include the certification required therein.

Section 247(f) of the Commission's rules of practice further provides that each applicant shall, if protests to its application have been filed, and within 60 days of the date of this publication, notify the Commission in writing (1) that it is ready to proceed and prosecute the application, or (2) that it wishes to withdraw the application, failure in which the application will be dismissed by the Commission.

Further processing steps (whether modified procedure, oral hearing, or other procedures) will be determined generally in accordance with the Commission's general policy statement concerning motor carrier licensing procedures, published in the FEDERAL REGISTER issue of May 3, 1966. This assignment will be by Commission order which will be served on each party of record. Broadening amendments will not be accepted after the date of this publication except for good cause shown, and restrictive amendments will not be entertained following publication in the FEDERAL REGISTER of a notice that the proceeding has been assigned for oral hearing.

No. MC 2229 (Sub-No. 170) (Correction), filed August 11, 1972, published in the FEDERAL REGISTER issue of September 8, 1972, and republished in part as corrected this issue. Applicant: RED BALL MOTOR FREIGHT, INC., 3177

¹ Copies of Special Rule 247 (as amended) can be obtained by writing to the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

Irving Boulevard (Post Office Box 47407), Dallas, TX 75247. Applicant's representative: Douglas Anderson (same address as applicant). **NOTE:** The sole purpose of this partial republication is to reflect Sub-No. 170, in lieu of Sub-No. 107 as was erroneously shown in the previous publication. The rest of the application remains as previously published.

No. MC 2253 (Sub-No. 56), filed August 21, 1972. Applicant: CAROLINA FREIGHT CARRIERS CORPORATION, N.C. Highway 150 East, Cherryville, N.C. 28021. Applicant's representative: W. C. Mauldin, Post Office Box 697, Cherryville, NC 28021. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), to serve Wayland, N.Y., as an intermediate point in connection with applicant's authorized regular route between Charlotte, N.C., and Rochester, N.Y., for the purposes of joinder only. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Charlotte, N.C., or Washington, D.C.

No. MC 5623 (Sub-No. 19), filed August 18, 1972. Applicant: ARROW TRUCKING CO., a corporation, 3131 North Lewis, Post Office Box 6027, Tulsa, OK 74106. Applicant's representative: Lawrence A. Winkle, 4645 North Central Expressway, Dallas, TX 75205. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Electrical and mechanical antipollution systems and parts* (except as are used in automobiles), from Warren, Ohio, to points in the United States (except Alaska and Hawaii). **NOTE:** Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Chicago, Ill.

No. MC 5623 (Sub-No. 20), filed August 18, 1972. Applicant: ARROW TRUCKING CO., a corporation, 3131 North Lewis, Post Office Box 6027, Tulsa, OK 74106. Applicant's representative: Lawrence A. Winkle, 4645 North Central Expressway, Dallas, TX 75205. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pipe and tube, iron or steel*, from the plantsite of Tex-Tube Division of Detroit Steel Corp., at Houston, Tex., to points in the United States (except Alaska and Hawaii). **NOTE:** Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex., or Columbus, Ohio.

No. MC 10223 (Sub-No. 3), filed March 9, 1972. Applicant: ROBERT E. MACK, CARL BROWN, SOPHIE R. MACK, ESTELLE M. FUNK, AND THERESA R. MOLLOY, a partnership, doing business as MACK TRANSPORTATION COMPANY, 4330 Torresdale Avenue, Phila-

delphia, PA 19124. Applicant's representative: John W. Frame, Box 626, 2207 Gettysburg Road, Camp Hill, PA 17011. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Radios, televisions, phonographs, tape recorders, advertising materials, household appliances, and related accessories* thereof when moving in connection therewith, between King of Prussia, Pa., on the one hand, and, on the other, points in New Jersey, Delaware, and Maryland (except Baltimore, Md.); (2) *Such commodities* as are dealt in by chain retail and mail-order department stores from Philadelphia, Pa., to points within 35 miles of Philadelphia, in New Jersey (except Camden), and in Delaware (except Wilmington); (3) *plumbing and heating supplies*, from Philadelphia, Pa., to points in Maryland (except Baltimore), those in Delaware (except Wilmington), and those in Sussex, Warren, Hunterdon, Mercer, Burlington, Camden, Gloucester, Salem, Cumberland, Cape May, and Atlantic Counties, N.J. (except Atlantic City and Camden); (4) *such commodities* as are dealt in by chain retail and mail-order department stores from Tullytown, Pa., to points in New Jersey within 35 miles of Tullytown, with no transportation for compensation on return except as otherwise authorized; (5) *general commodities*, except those of unusual value, and except dangerous explosives, household goods as defined in Practices of Motor Common Carriers of Household Goods, 17 M.C.C. 467, commodities in bulk, commodities requiring special equipment and those injurious or contaminating to other lading, between Philadelphia, Pa., and Camden, N.J., on the one hand, and, on the other, points in the New York, N.Y., commercial zone as defined by the Commission in 1 M.C.C. 665, and those in New Jersey, Pennsylvania, Delaware, Maryland, and the District of Columbia; and (6) *Coal Tar Products*, in bulk, in tank vehicles, from Philadelphia, Pa., to points in Connecticut, and to points in New York (except those in the New York, N.Y., commercial zone as defined by the Commission). **NOTE:** Applicant states it holds the above authority as a contract carrier under Permit MC-105809 and various subs, and the purpose of this application is to convert its contract carrier authority to common carrier authority. Applicant further states that the requested authority can be tacked with its existing authority at Philadelphia, Pa. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., Philadelphia or Harrisburg, Pa.

No. MC 13123 (Sub-No. 67), filed August 30, 1972. Applicant: WILSON FREIGHT COMPANY, a corporation, 3636 Follett Avenue, Cincinnati, OH 45223. Applicant's representative: Milton H. Bortz (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flat glass and glazing units*, from the plantsite and warehouse facilities of Libbey-Owens-

Ford Co., and its subsidiaries, at Clinton and Laurinburg, N.C., to points in Arkansas, Connecticut, Delaware, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan (except those points located in the Upper Peninsula of Michigan), Missouri, New Hampshire, New Jersey, New York, Ohio, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia. **NOTE:** Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 14702 (Sub-No. 42), filed August 21, 1972. Applicant: OHIO FAST FREIGHT, INC., 3893 Market Street NE., Warren, OH 44484. Applicant's representative: Paul F. Beery, 88 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Aluminum and aluminum products, and equipment, materials and supplies used in manufacturing and processing of aluminum and aluminum products* (except commodities in bulk), between points in Hancock County, Ky., on the one hand, and, on the other, points in Texas, Oklahoma, Louisiana, Arkansas, Mississippi, Alabama, Tennessee, North Carolina, Florida, Georgia, and Kansas, restricted to transportation of traffic originating at or destined to the above named origins or destinations. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 14702 (Sub-No. 43), filed August 21, 1972. Applicant: OHIO FAST FREIGHT, INC., Post Office Box 808, Warren, OH 44482. Applicant's representative: Paul F. Beery, 88 East Broad Street, Columbus, OH 43215. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Aluminum and aluminum articles, and equipment, materials and supplies used in the manufacturing and processing of aluminum and aluminum articles* (except commodities in bulk), between Murrysville, Pa., on the one hand, and, on the other, points in Illinois, Indiana, Iowa, Maryland, Michigan, Missouri, New Jersey, New York, South Dakota, Tennessee, Virginia, Kansas, Minnesota, Nebraska, Wisconsin, Mississippi, and Louisiana, restricted to transportation of traffic originating at or destined to the above named origins or destinations. **NOTE:** If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio.

No. MC 17051 (Sub-No. 7), filed August 8, 1972. Applicant: BARNET'S EXPRESS, INC., 758 Lidgerwood Avenue, Elizabeth, NJ 07202. Applicant's representative: George A. Olsen, 69 Tonnele Avenue, Jersey City, NJ 07306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel, equipment materials, and supplies used or useful in the manufacture and sale of wearing apparel*, between Carteret, Perth

Ambody, and Newark, N.J.; Johnstown and New York, N.Y.; and Athens, Tenn. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y. or Newark, N.J.

No. MC 29910 (Sub-No. 123), filed August 18, 1972. Applicant: ARKANSAS-BEST FREIGHT SYSTEM, INC., 301 South 11th Street, Fort Smith, AR 72901. Applicant's representative: Thomas Harper, Post Office Box 43, Kelley Building, Fort Smith, AR 72901. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Paper, paper products, woodpulp, and supplies* used in the manufacture of paper, paper products, and woodpulp, except commodities in bulk, in tank vehicles, between the plant-site and warehouse facilities of International Paper Co. known as Texarkana Mill, located 5 miles east of U.S. Highway 59, on the one hand, and, on the other, points in Illinois, Indiana, and Ohio. NOTE: Applicant states that the requested authority can be tacked with its existing authority under MC 29910. Applicant further states that no duplicating authority is being sought. If a hearing is deemed necessary, applicant requests it be held at New Orleans, La., or Dallas, Tex.

No. MC 34087 (Sub-No. 4), filed August 28, 1972. Applicant: NORMAN HILLS, McAllister Road, Fredonia, N.Y. 14063. Applicant's representative: Raymond A. Richards, 44 North Avenue, Webster, NY 14580. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Flour, feed, and grain products*, from Buffalo, N.Y., to points in Butler, Allegheny, Greene, Washington, and Westmoreland Counties, Pa., under contract with Peavey Co. Flour Mills, Buffalo, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y.

No. MC 43654 (Sub-No. 81), filed August 8, 1972. Applicant: DIXIE OHIO EXPRESS, INC., 237 Fountain Street, Akron, OH 44309. Applicant's representative: Rex Eames, 900 Guardian Building, Detroit, MI 48226. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk and those requiring special equipment because of size or weight), between Lexington, Ky., and Mount Sterling, Ky., (1) from Lexington, Ky., over U.S. Highway 60 to Mount Sterling, Ky., and return over the same route, serving all intermediate points; and (2) from Lexington, Ky., over Interstate Highway 64 to Mount Sterling, Ky., serving all intermediate points. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Lexington or Louisville, Ky.

No. MC 51146 (Sub-No. 289), filed August 16, 1972. Applicant: SCHNEIDER TRANSPORT, INC., 2661 South Broadway, Green Bay, WI 54304. Applicant's representative: Neil DuJardin, Post Office Box 2298, Green Bay, WI 54306. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic containers*, from Los Angeles, Calif., to points in Texas. NOTE: Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. No duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 52022 (Sub-No. 6), filed August 17, 1972. Applicant: SANTINI BROTHERS, INC., 1405 Jerome Avenue, New York, NY 10452. Applicant's representative: Bernard C. Pestcoe, 511 Biscayne Building, 19 West Flagler Street, Miami, FL 33130. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods* as defined in *Practices of Motor Common Carriers of Household Goods*, 17 M.C.C. 467, between points in Florida, Georgia, and Alabama. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. Applicant also states the purpose of this application is to eliminate the gateway of Perry, Fla., and to avoid circuitous routing through New York City. If a hearing is deemed necessary, applicant requests it be held at Tallahassee, Fla.

No. MC 59150 (Sub-No. 68), filed August 28, 1972. Applicant: PLOOF TRANSFER COMPANY, INC., 1901 Hill Street, Jacksonville, FL 32202. Applicant's representative: Martin Sack, Jr., 1754 Gulf Life Tower, Jacksonville, Fla. 32207. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Copper wire and cable*, insulated or plain, from the plant-site of Essex International, Inc., at Chester, S.C., to points in Alabama, Florida, Georgia, Louisiana, and Mississippi. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Atlanta, Ga., or Washington, D.C.

No. MC 59354 (Sub-No. 14), filed August 28, 1972. Applicant: G. R. PITMAN TRUCKING CO., INC., Hillsboro, Ind. 47949. Applicant's representative: Kenneth F. Dudley, 611 Church Street, Post

Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: (1) *Iron and steel articles*, from the plant-site and warehouse facilities of Keystone Steel & Wire Co., at or near Chicago Heights, Ill., to points in Arkansas, Colorado, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania on and west of U.S. Highway 219, South Dakota, Texas, West Virginia, and Wisconsin, restricted to traffic originating at the plant-site and warehouse facilities of Keystone Steel & Wire Co., at or near Chicago Heights, Ill., and (2) *Materials, equipment, and supplies* used in the manufacture, processing, sale, and distribution of iron and steel articles, from points in Arkansas, Colorado, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, Pennsylvania, on and west of U.S. Highway 219, South Dakota, Texas, West Virginia, and Wisconsin to the plantsites and warehouse facilities of Keystone Steel & Wire Co., located at or near Chicago Heights and Peoria, Ill., restricted to traffic destined to the plantsites and warehouse facilities of Keystone Steel & Wire Co., at or near Chicago and Peoria, Ill., under contract with Keystone Steel & Wire Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 61825 (Sub-No. 53), filed August 17, 1972. Applicant: ROY STONE TRANSFER CORPORATION, V. C. Drive, Collinsville, Va. 24078. Applicant's representative: George S. Hales, Post Office Box 285, Collinsville, VA 24078. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Pads and padding*, from Delanco, N.J., to points in Georgia, Tennessee, and Virginia. NOTE: Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. No duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 66900 (Sub-No. 41), filed August 18, 1972. Applicant: HOUFF TRANSFER, INCORPORATED, Post Office Box 91, Weyers Cave, VA 24486. Applicant's representative: Harold G. Hernly, 2030 North Adams Street, Suite 510, Arlington, VA 22201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Flat glass and glass glazing units*, from Clinton, N.C., and Laurinburg, N.C., to points in Virginia, Delaware, Maryland, Pennsylvania, Ohio, Kentucky, West Virginia, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority.

If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 69116 (Sub-No. 146), filed August 21, 1972. Applicant: SPECTOR FREIGHT SYSTEM, INC., 205 West Wacker Drive, Chicago, IL 60606. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Building and roofing slabs, tile, panels and materials, and supplies* used in the installation thereof, except commodities in bulk, from the plantsite of Fireproof Products, Inc., at Cornell, Wis., to points in Illinois, Indiana, Kentucky, Michigan, New York, Ohio, Pennsylvania, West Virginia, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont. NOTE: Applicant states that tacking possibilities exist with its regular authority. However, applicant has no present intention to tack. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 71164 (Sub-No. 4), filed August 21, 1972. Applicant: LAND-SEA-AIR SERVICE, INC., 166 Northern Avenue, Boston, MA 02210. Applicant's representative: Frederick T. O'Sullivan, 622 Lowell Street, Peabody, MA 01960. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Commodities requiring refrigeration* (except commodities in bulk, in tank vehicles, in hopper-type vehicles), (1) between points in Florida on the one hand, and, on the other, points in Massachusetts; and (2) from points in Iowa to points in Massachusetts. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass.

No. MC 74647 (Sub-No. 15), filed August 10, 1972. Applicant: P. SALVINO TRANSPORT, INC., 6615 Corson Avenue South, Seattle, WA 98108. Applicant's representative: Joseph O. Earp, 411 Lyon Building, 607 Third Avenue, Seattle, WA 98104. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Lignin pitch, dry, and woodpulp*, from Bellingham, Wash., to Seattle and Tacoma, Wash., on traffic having a prior or subsequent out-of-State movement, under contract with Georgia-Pacific Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 85934 (Sub-No. 64), filed August 2, 1972. Applicant: MICHIGAN TRANSPORTATION COMPANY, a corporation, 3601 Wyoming, Dearborn, MI 48120. Applicant's representative: Robert A. Sullivan, 1800 Buhl Building, Detroit, Mich. 48226. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Dry chemicals*, from Bay City and Midland, Mich., to points in the United States (ex-

cept Illinois, Indiana, Iowa, Kansas, Kentucky, Nebraska, Pennsylvania, and Wisconsin). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 88300 (Sub-No. 30), filed August 21, 1972. Applicant: DIXIE TRANSPORT COMPANY, a corporation, Post Office Box 395, Chicago Heights, IL 60411. Applicant's representative: Charles W. Singer, 2440 East Commercial Boulevard, Fort Lauderdale, FL 33308. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Motor vehicles* between points in North Carolina, South Carolina, Maryland, Virginia, West Virginia, Georgia, Alabama, Mississippi, Florida, and the District of Columbia. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. Applicant indicates he does not seek duplicate authority. If a hearing is deemed necessary, applicant requests it be held at Jacksonville, Fla.

No. MC 99685 (Sub-No. 2), filed June 20, 1972. Applicant: G. I. TRUCKING COMPANY, a corporation, 14727 Alondra Boulevard, La Mirada, CA 90638. Applicant's representative: Donald Murchison, 9454 Wilshire Boulevard, Suite 400, Beverly Hills, CA 90212. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *General commodities*, Part I between: (1) All points within the territory more particularly delineated in Part II attached hereto. (2) Points in that territory, on the one hand, and (a) Oceanside and Chula Vista and intermediate points on U.S. Highway No. 101 between said territory and Chula Vista, and San Diego and El Cajon and intermediate points on U.S. Highway No. 80, on the other hand. (b) All points and places located on U.S. Highway No. 101 to Santa Maria, including Santa Maria, and including also points located laterally within 10 miles on either side of said U.S. Highway No. 101 to Santa Maria, on the other hand, provided that no service shall be rendered to or from Saticoy. (c) All points on State Highway No. 1 between Lompoc and Santa Maria, inclusive, including points laterally within 10 miles on either side of said State Highway No. 1 between Lompoc and Santa Maria, and including all points within a radius of 10 miles of Lompoc. (d) All points between Ventura and San Fernando inclusive, via State Highway No. 126 and U.S. Highway No. 99, including points within 10 miles laterally on either side of State Highway No. 126 and U.S. Highway No. 99 between Ventura and San Fernando, provided that no

service shall be rendered to or from Saticoy or Castaic. (e) All points between Ventura and San Fernando, inclusive, via State Highway No. 118, including points within 10 miles laterally of said State Highway No. 118 between Ventura and San Fernando, including all points within a 10-mile radius of San Fernando, provided that no service shall be rendered to or from Saticoy. (f) All points between San Diego and Riverside, inclusive, via U.S. Highway No. 395, including points within 10 miles on either side of said highway between Riverside and San Diego. The authority hereinabove set forth in paragraph (2) does not include the right to render service, to, from, or between intermediate points except those specifically authorized.

Restriction: Applicant shall not transport any shipments of: (1) Used household goods and personal effects not packed in accordance with the crated property requirements set forth in paragraph (d) of Item No. 10-C of Minimum Rate Tariff No. 4-A. (2) Automobiles, trucks, and buses, viz: new and used, finished or unfinished passenger automobiles (including jeeps), ambulances, hearses and taxis; freight automobiles, automobile chassis, trucks, truck chassis, truck trailers, trucks and trailers combined, buses, bus chassis. (3) Livestock, viz: bucks, bulls, calves, cattle, cows, dairy cattle, ewes, goats, hogs, horses, kids, lambs, oxen, pigs, sheep, sheep camp outfits, sows, steers, stags, or swine. (4) Commodities requiring the use of special refrigeration or temperature control in specially designed and constructed refrigerated equipment. (5) Liquids, compressed gases, commodities in semiplastic form and commodities in suspension in liquids in bulk, in tank trucks, tank trailers, tank semitrailers or a combination of such highway vehicles. (6) Commodities when transported in bulk in dump trucks or in hopper-type trucks. (7) Commodities when transported in motor vehicles equipped for mechanical mixing in transit.

Part II(g) Beginning at the point where State Highway No. 118 intersects with State Highway No. 27; easterly and northeasterly along State Highway No. 118 to State Highway No. 7; northerly along State Highway No. 7 to Rinaldi Street, easterly on Rinaldi Street and Workman Street; westerly and northerly along the boundary of the city of San Fernando and its prolongation to the boundary of the Angeles National Forest; easterly and southerly along the boundary of the Angeles National Forest to U.S. Highway No. 395; southerly along U.S. Highway No. 395 to U.S. Highway No. 99; easterly along U.S. Highway No. 99 to and including the city of Redlands; southeasterly along an imaginary line to the intersection of U.S. Highways Nos. 60 and 395; southerly on U.S. Highway No. 395 to Cajalco Drive; westerly on Cajalco Drive to Mockingbird Canyon Road; northerly on Mockingbird Canyon Road and Van Buren Street to State Highway No. 18; southerly and westerly along State Highway No. 18 and U.S.

Highway No. 91 to State Highway No. 55; southerly along State Highway No. 55 to and including Balboa; westerly and northerly along the shore line of the Pacific Ocean to a point directly south of the intersection of U.S. Highway No. 101 Alternate and State Highway No. 27; thence northerly along State Highway No. 27 to the point of beginning. (2) Between San Diego, Calif., on the one hand, and, on the other, the port of entry on the United States-Mexico boundary line in the San Ysidro area of the corporate limits of San Diego in foreign commerce only. NOTE: The primary purpose of this application is the request for authority to cross the California-Mexican border in the San Ysidro area of San Diego. The instant application seeks to convert the certificate of registration of applicant to a certificate of public convenience and necessity. Applicant states that no new or additional territory is sought within the continental boundaries of the United States. If a hearing is deemed necessary, applicant requests it be held at San Diego, Calif.

No. MC 101940 (Sub-No. 5), filed August 25, 1972. Applicant: WHALENS, INC., 102 North Sixth Street, Grand Forks, ND 58201. Applicant's representative: Alan F. Wohlstetter, 1700 K Street NW., Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Used household goods*, between points in Grand Forks, Walsh, Traill, Steele, Griggs, Nelson, Pembina, Cavalier, Ramsey, Eddy, and Foster Counties, N. Dak., and Polk, Marshall, Norman, Pennington, Kittson, Roseau, Red Lake, and Clearwater Counties, Minn., restricted to the transportation of traffic having a prior or subsequent movement, in containers, and further restricted to the performance of pickup and delivery service in connection with packing, crating, and containerization or unpacking, uncrating, and decontainerization of such traffic. NOTE: If a hearing is deemed necessary, applicant requests it be held at Grand Forks, N. Dak.

No. MC 109478 (Sub-No. 124), filed August 21, 1972. Applicant: WORSTER MOTOR LINES, INC., Gay Road, North East, Pa. 16428. Applicant's representative: Joseph F. MacKrell, 23 West 10th Street, Erie, PA 16501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods and foodstuffs requiring refrigeration, including packing house products*, (1) between points in Erie County, Pa.; and (2) from the Port of Erie, in Erie, Pa., to points in New York, Pennsylvania, Ohio, Indiana, and Michigan. NOTE: Applicant states that the requested authority can be tacked at points in Pennsylvania and New York to serve other points in its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or New York, N.Y.

No. MC 110988 (Sub-No. 286), filed August 18, 1972. Applicant: SCHNEIDER TANK LINES, INC., 200 West Cecil

Street, Neenah, WI 54956. Applicant's representative: E. Stephen Heisley, 666 11th Street NW., Washington, DC 20001. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Liquid chemicals*, in bulk, in tank vehicles, from Dallas, Tex., to points in Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, Ohio, Oklahoma, South Carolina, Tennessee, Virginia, and West Virginia. NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex., or Washington, D.C.

No. MC 111594 (Sub-No. 55), filed August 17, 1972. Applicant: C W TRANSPORT, INC., 610 High Street, Wisconsin Rapids, WI 54494. Applicant's representative: Carl E. Steiner, 39 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), serving the plant and storage facilities of Preferred Products, Inc., in Carver County, Minn., as an off-route point, in connection with carrier's authorized regular route operations, to and from the St. Paul-Minneapolis, Minn., commercial zone. NOTE: If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 112963 (Sub-No. 29), filed August 10, 1972. Applicant: ROY BROS., INC., 764 Boston Road, Pinehurst, MA 01866. Applicant's representative: Leonard E. Murphy (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Di-calcium phosphate*, dry, in bulk, in tank vehicles, from Peabody, Mass., to points in Maine, New Hampshire, and Vermont. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Boston, Mass. or New York, N.Y.

No. MC 113658 (Sub-No. 5), filed August 17, 1972. Applicant: SCOTT TRUCK LINE, INC., 2950 Blake Street, Denver, CO 80205. Applicant's representative: Charles J. Kimball, 2310 Colorado State Bank Building, 1600 Broadway, Denver, CO 80202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from the plantsite

and storage facilities utilized by Kitchens of Sara Lee, Inc., at or near New Hampton, Iowa, to points in New York, Pennsylvania, Connecticut, Massachusetts, New Jersey, Maryland, Virginia, West Virginia, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Omaha, Nebr.

No. MC 113678 (Sub-No. 465), filed August 17, 1972. Applicant: CURTIS, INC., 4810 Pontiac, Commerce City, CO 80022. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods*, from Ames, Iowa, to points in Arizona, California, Colorado, Idaho, Kansas, Nebraska, Nevada, North Dakota, New Mexico, Oregon, South Dakota, Utah, Montana, Washington, and Wyoming. NOTE: Common control may be involved. Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the applicant may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Denver, Colo.; Omaha, Nebr.; or Des Moines, Iowa.

No. MC 113843 (Sub-No. 187), filed August 21, 1972. Applicant: REFRIGERATED FOOD EXPRESS, INC., 316 Summer Street, Boston, MA 02210. Applicant's representative: William J. Boyd, 29 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat, meat products and meat byproducts and articles distributed by meat packing-houses* as described in Appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Grand Island, Nebr., to points in Maine, Massachusetts, Vermont, New Hampshire, Connecticut, and Rhode Island, restricted to the transportation of traffic originating at the site and storage facilities of Swift & Co., located at Grand Island, Nebr., and destined to the named States. NOTE: Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Boston, Mass.

No. MC 114533 (Sub-No. 260), filed June 30, 1972. Applicant: BANKERS DISPATCH CORPORATION, 4970 South Archer Avenue, Chicago, IL 60632. Applicant's representative: Arnold Burke, Suite 1133, 127 North Dearborn, Chicago, IL 60602. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Laboratory specimens and reports*, between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble,

Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; (2) *microbiological supplies* used by hospitals and clinics, between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble, Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; (3) *exposed and processed film and prints, complimentary replacement film and incidental dealer handling supplies* (except motion picture films and materials and supplies used in connection with commercial and television motion pictures), *cameras and projectors*, between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble, Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; and

(4) *Restorative dentistry products*, (a) between Wichita, Kans., on the one hand, and, on the other, points in Grant, Kay, Nowata, Ottawa, Craig, Delaware, Noble, Payne, Garfield, Woods, Harper, Beaver, Texas, Cimarron, Oklahoma, and Woodward Counties, Okla.; (b) between Topeka, Kans., on the one hand, and, on the other, points in Texas, Beaver, Woodward, Blaine, Kingfisher, Canadian, Garfield, Grant, Kay, Payne, Osage, Washington, Ottawa, Cherokee, Muskogee, Tulsa, Okmulgee, McIntosh, Oklahoma, Pottawatomie, Cleveland, McClain, Garvin, Stephens, Comanche, Jackson, Greer, Kiowa, Caddo, and Custer Counties, Okla.; (c) between Wichita, Kans., on the one hand, and, on the other, points in Oklahoma; (d) between Topeka, Kans., on the one hand, and, on the other, points in Beckham, Washita, Caddo, Grady, McClain, Pontotoc, Coal, Atoka, Pushmataha, and Leflore Counties, Okla.; (e) between Mission, Kans., on the one hand, and, on the other, points in Canadian, Oklahoma, Cleveland, Tulsa, Custer, Muskogee, Woodward, Grady, Ottawa, Pontotoc, Noble, Payne, Comanche, Kay, Jackson, Nowata, and Pottawatomie Counties, Okla. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant holds contract carrier authority under MC 128616 and subs thereunder, therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo., or Chicago, Ill.

No. MC 114552 (Sub-No. 66), filed August 21, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, SC 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: (1) *Ventilator systems, including parts, equipment and accessories* used in the installation thereof, from Keyser, W. Va., to points in the United States (except Alaska and Hawaii); and (2) *materials, supplies, equipment and*

accessories used in the manufacturing and installation of ventilators, from points in the United States (except Alaska and Hawaii) to Keyser, W. Va. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., Philadelphia, Pa., or Columbia, S.C.

No. MC 114552 (Sub-No. 67), filed August 21, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, S.C. 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Plastic pipe, tubing, conduits, moldings, valves, fittings, siding, compounds, joint sealer, bonding cement, and accessories and materials* used in the installation thereof (except commodities in bulk), from Hagerstown, Md., to points in the United States on and east of a line beginning at the mouth of the Mississippi River, and extending along the Mississippi River to its junction with the western boundary of Itasca County, Minn., thence northward along the western boundaries of Itasca and Koochiching Counties, Minn., to the international boundary line between the United States and Canada, and returned and rejected commodities, on return. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., Philadelphia, Pa., or Columbia, S.C.

No. MC 114552 (Sub-No. 68), filed August 25, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: William P. Jackson, Jr., 919 18th Street NW, Washington, DC 20006. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Roofing and roofing materials, gypsum and gypsum products, composition boards, insulation materials, urethane and urethane products and related materials, supplies and accessories, incidental thereto* (except commodities in bulk), from the plantsite and warehouse facilities of the Celotex Corp. located at points in Wayne County, N.C., to points in South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Missouri, Illinois, Indiana, Ohio, West Virginia, Virginia, Pennsylvania, Maryland, Delaware, New Jersey, Kentucky, Tennessee, and the District of Columbia. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Tampa, Fla.

No. MC 114552 (Sub-No. 69), filed August 28, 1972. Applicant: SENN TRUCKING COMPANY, a corporation, Post Office Box 333, Newberry, SC 29108. Applicant's representative: Frank A.

Graham, Jr., 707 Security Federal Building, Columbia, S.C. 29201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Particleboard*, from Temple Industries plantsite, Thomson, Ga., to points in that part of the United States in and east of North Dakota, South Dakota, Nebraska, Colorado, and New Mexico. NOTE: Applicant states that the requested authority can be tacked with its existing authority but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Dallas, Tex.; Washington, D.C., or Columbia, S.C.

No. MC 115162 (Sub-No. 254), filed August 3, 1972. Applicant: POOLE TRUCK LINE, INC., Post Office Drawer 500, Evergreen, AL 36401. Applicant's representative: Robert E. Tate (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Grain products and cereal products* (except in bulk), (1) from Keokuk, Iowa, and Arkansas City, Kans., to points in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia, and (2) from points in Indiana, Michigan, and Ohio to points in Alabama, Arkansas, Florida, Georgia, Illinois, Louisiana, Mississippi, Tennessee, and Texas. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at New Orleans, La., or Mobile, Ala.

No. MC 115311 (Sub-No. 138), filed August 25, 1972. Applicant: J & M TRANSPORTATION CO., INC., Post Office Box 488, Milledgeville, GA 31061. Applicant's representative: Alan E. Serby, Post Office Box 872, Atlanta, GA 30301. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Particle board* from the plantsite of Temple Industries, Inc., at or near Thomson, Ga., to points in the United States located in and east of North Dakota, South Dakota, Nebraska, Colorado, and New Mexico. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex., Dallas, Tex., or Atlanta, Ga.

No. MC 115322 (Sub-No. 92), filed August 16, 1972. Applicant: REDWING REFRIGERATED, INC., 2939 Orlando Drive, Post Office Box 1698, Sanford, FL 32771. Applicant's representative: James E. Wilson, 1032 Pennsylvania Building, Pennsylvania Avenue and 13th Street NW, Washington, D.C. 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes,

transporting: *Frozen foods*, from Salisbury, Md., to points in New York (except the New York, N.Y. commercial zone and points in the counties of Nassau, Westchester, and Suffolk), Ohio, and points in Pennsylvania on and west of U.S. Highway 15. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Common control may be involved. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 115496 (Sub-No. 17), filed August 25, 1972. Applicant: LUMBER TRANSPORT, INC., Post Office Box 111, Cochran, GA 31014. Applicant's representatives: Alan E. Serby and Paul M. Daniell, Post Office Box 872, Atlanta, GA 30301. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Particle board*, from the plantsite of Temple Industries, Inc., at or near Thompson, Ga., to points in that part of the United States in and east of North Dakota, South Dakota, Nebraska, Colorado, and New Mexico. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Houston, Tex.; or Dallas, Tex.; or Atlanta, Ga.

No. MC 116763 (Sub-No. 225), filed August 21, 1972. Applicant: CARL SUBLER TRUCKING, INC., North West Street, Versailles, Ohio 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except frozen and commodities in bulk), (a) from Red Lodge, Mont., to points in the United States (except Montana, Wyoming, Colorado, Utah, Idaho, Nevada, Oregon, and Washington); and (b) from Arlington, Faribault, and Ortonville, Minn., to points in the United States (except Minnesota, Iowa, Nebraska, South Dakota, North Dakota, Montana, Wyoming, Idaho, Oregon, and Washington). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant further states that no duplicating authority is being sought. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 116763 (Sub-No. 226), filed August 24, 1972. Applicant: CARL SUBLER TRUCKING, INC., North West Street, Versailles, Ohio 45380. Applicant's representative: H. M. Richters (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Foodstuffs* (except frozen and commodities in bulk), from Poynette, Waunakee, Sun Prairie, Cobb, and Merrill, Wis., to points in Oklahoma, Texas, and New Mexico, restricted to traffic originating at the named origins and destined to the States named. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant further states that no duplicating authority is being

sought. If a hearing is deemed necessary, applicant requests it be held at Milwaukee, Wis.

No. MC 117557 (Sub-No. 16), filed August 31, 1972. Applicant: MATSON, INC., Post Office Box 43, Cedar Rapids, IA 52406. Applicant's representative: Kenneth F. Dudley, 611 Church Street, Post Office Box 279, Ottumwa, IA 52501. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (A) (1) *Aggregate and asphalt plants*; (2) *equipment and machinery* used for, or in connection with aggregates, asphalt, or similar commodities; (3) *construction, road building, and maintenance equipment*; (4) *material handling, material distributing, and self unloading machinery and equipment*; (5) *paving machinery and equipment*; (6) *material reducing and processing machinery and equipment*; (7) *crushers, screening machinery and equipment, washers, conveyors, elevators, driers, and trailers*; (8) *quarry and mining machinery and equipment*; (9) *dust collectors and antipollution machinery and equipment*; (10) *cranes and* (11) *parts, attachments, accessories, and related equipment* for the commodities described in (1) through (10) above, from points in Linn County, Iowa, to points in the United States (except Alaska and Hawaii). (B) *Materials, equipment, and supplies* used in the manufacture, processing, sale and distribution of the commodities listed in (A) above (except commodities in bulk), from points in the United States (except Alaska and Hawaii), to points in Linn County, Iowa, and (C) *Experimental and show display machinery and equipment* of the commodities listed in (A) above, between points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority can be tacked with its existing authority through Cedar Rapids and other points. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., or Des Moines, Iowa.

No. MC 117565 (Sub-No. 66), filed August 17, 1972. Applicant: MOTOR SERVICE COMPANY, INC., Route 3, Post Office Box 448, Coshocton, OH 43812. Applicant's representative: John R. Hafner (same address as applicant). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Trailers*, designed to be drawn by passenger automobiles, in initial movements, from points in Christian County, Ky., to points in the United States (except Alaska and Hawaii). NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Columbus or Cincinnati, Ohio.

No. MC 117639 (Sub-No. 6), filed August 30, 1972. Applicant: JACK S. OCHSNER, doing business as, PICK'S PACK HAULER, 607 South Burlington, Hastings, NE 68901. Applicant's representative: Frederick J. Coffman, 521 South 14th Street, Post Office Box 80806, Lincoln, NE 68501. Authority sought to

operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Brick*, from points at or near Fairbury and Lincoln, Nebr., to points in Minnesota, Wisconsin, Illinois, and Oklahoma under continuing contracts with Yankee Hill Brick Manufacturing Co. and Endicott Clay Products Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lincoln or Omaha, Nebr.

No. MC 117943 (Sub-No. 1) (Amendment), filed August 11, 1971, published in the FEDERAL REGISTER issued of September 16, 1971, and republished as amended this issue. Applicant: JOSEPH M. BOOTH, doing business as J. M. BOOTH TRUCKING, Post Office Box 907 Eustis, FL 32726. Applicant's representative: George A. Olsen, 69 Tonelle Avenue, Jersey City, NJ 07306. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Such commodities* used or useful in the manufacture and sale of wearing apparel and *wearing apparel*, between points in Hudson, Bergen, Essex, Passaic, Union, Somerset, and Middlesex Counties, N.J.; points in Westchester, Nassau, Suffolk, Rockland Counties, N.Y., and New York, N.Y., on the one hand, and, on the other, points in Brevard, Broward, Dade, Duval, Hillsborough, Indian River, Lake, Martin, Orange, Pinellas, Palm Beach, St. Johns, St. Lucie, and Volusia Counties, Fla., restricted against the transportation of shipments to and from the facilities used by Grand Union Co. of East Paterson, N.J., and Unity Consolidated, Inc., of New York, N.Y. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. Applicant holds contract carrier authority under MC 124964 (Sub-No. 10), therefore, dual operations may be involved. The purpose of this republication is to redescribe the authority sought. If a hearing is deemed necessary, applicant requests it be held at New York, N.Y., or Miami, Fla.

No. MC 118535 (Sub-No. 53), filed August 31, 1972. Applicant: JIM TIONA, JR., 111 South Prospect Street, Butler, MO 64730. Applicant's representative: Wilburn L. Williamson, 280 National Foundation Life Building, 3535 Northwest 58th, Oklahoma City, OK 73112. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Dry feed and feed ingredients*, from Van Buren, Ark., to points in Arkansas, Colorado, Iowa, Kansas, Louisiana, Missouri, Mississippi, Nebraska, New Mexico, Oklahoma, and Texas. NOTE: Applicant states that the requested authority can be tacked with its existing authority, but indicates that it has no present intention to tack and therefore does not identify the points or territories which can be served through tacking. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo.

No. MC119522 (Sub-No. 17), filed August 21, 1972. Applicant: McLAIN TRUCKING, INC., 2425 Walton Street, Anderson, IN 46011. Applicant's representative: Donald W. Smith, 900 Circle Tower, Indianapolis, IN 46204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wastepaper*, between points in Ohio, Indiana, Michigan, Illinois, and Kentucky. Note: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Indianapolis, Ind., or Chicago, Ill.

No. MC 119792 (Sub-No. 35), filed August 18, 1972. Applicant: CHICAGO SOUTHERN TRANSPORTATION COMPANY, INC., 1401 West 43d Street, Chicago, IL 60609. Applicant's representative: William J. Boyd, 29 South La Salle Street, Chicago, IL 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meat and meat products and meat byproducts and articles distributed by meat packinghouses* as described in sections A, B, and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 MCC 209 and 766, from St. Louis, Mo., and its commercial zone to points in North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, and Kentucky. Note: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 123255 (Sub-No. 27), filed August 25, 1972. Applicant: B & L MOTOR FREIGHT, INC., 140 Everett Avenue, Newark, OH 43055. Applicant's representative: C. F. Schnee, Jr. (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Foodstuffs and empty foodstuffs containers*, from the plant-site and storage facilities of Heinz U.S.A., Division of H. J. Heinz Co., at Holland, Mich., to the plantsites and storage facilities of Heinz U.S.A. divisions at Muscatine, Iowa; Salem, N.J.; Bowling Green, Ohio, and Fremont, Ohio; and Chambersburg and Pittsburgh, Pa., the distribution center sites of Heinz U.S.A. divisions at Bridgeview, Ill.; Iowa City, Iowa; Harrison, N.J.; Toledo, Ohio, and Mechanicsburg and Pittsburgh, Pa., and the warehouse site of Heinz U.S.A. division at Leetsdale, Pa., restricted to traffic originating at and destined to the specified points. Note: Applicant holds contract carrier authority under MC 81968 and subs thereunder, therefore, dual operations may be involved. No duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Columbus, Ohio, or Chicago, Ill.

No. 123639 (Sub-No. 147), filed August 21, 1972. Applicant: J. B. MONTGOMERY, INC., 5150 Brighton Boule-

vard, Denver, CO 80216. Applicant's representative: John F. DeCock (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, between the plantsite and storage facilities of Chicago Bridge & Iron Co. located at Indian Oaks, Ill., on the one hand, and, on the other, points in Iowa, Kansas, Nebraska and that part of Colorado on and east of U.S. Highway 87 from the Wyoming-Colorado State line to its junction with Colorado Highway 1 at or near Wellington, thence on and east of Colorado Highway 1 to its junction with U.S. Highway 87 at or near Denver, thence on and east of U.S. Highway 87 to its junction with U.S. Highway 50 at or near Pueblo, and on and north of U.S. Highway 50. Note: Applicant states that its present authority could possibly be tacked with its existing authority under Sub-No. 2, which would provide service between Chicago, Ill., and Indian Oaks, Ill. Persons interested in the tacking possibilities are cautioned that failure to oppose the application may result in an unrestricted grant of authority. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 123639 (Sub-No. 148), filed August 21, 1972. Applicant: J. B. MONTGOMERY, INC., 5150 Brighton Boulevard, Denver, CO 80216. Applicant's representative: John F. DeCock (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dehydrated alfalfa and pellets*, in bags, from Schuyler, Nebr., to points in Illinois and Indiana, restricted against service to points in the Chicago, Ill., commercial zone. Note: Applicant states that the requested authority can be tacked with its existing authority under MC 123639 (Sub-No. 2) to provide service from Denver, Colo. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 123639 (Sub-No. 149), filed August 21, 1972. Applicant: J. B. MONTGOMERY, INC., 5150 Brighton Boulevard, Denver, CO 80216. Applicant's representative: John F. DeCock (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, dairy products and articles distributed by meat packinghouses*, as described in Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766, from points in Nebraska to points in Connecticut, Delaware, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia, restricted against points in Illinois and Indiana in the Chicago, Ill., commercial zone. Note: Applicant states tacking of the requested authority would be possible with certain of its existing

authority so as to provide through service from Denver, Colo., and certain points in Kansas and Iowa. Applicant further states no duplicating authority sought. If a hearing is deemed necessary, applicant requests it be held at Omaha, Nebr.

No. MC 124796 (Sub-No. 100) (Correction), filed August 3, 1972, published in the FEDERAL REGISTER, issue of August 31, 1972, and republished in part as corrected this issue. Applicant: CONTINENTAL CONTRACT CARRIER CORP., 15045 East Sale Lake Avenue (Post Office Box 1257), City of Industry, CA 91749. Applicant's representative: J. Max Harding, Post Office Box 82028, Lincoln, NE 68501. Note: The sole purpose of this partial republication is to reflect the State of Florida as a destination point in (1) of the application, which was erroneously omitted in the previous publication. The rest of the application remains as previously published.

No. MC 125813 (Sub-No. 12), filed August 9, 1972. Applicant: CRESSLER TRUCKING, INC., 153 West Orange Street, Shippensburg, PA 17257. Applicant's representative: John M. Musleman, 400 North Third Street, Harrisburg, PA 17108. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Party novelties and decorations and materials and supplies* used or useful in the manufacture, storage, and distribution of party novelties and decorations, between Royersford and Shippensburg, Pa., and New York, N.Y., on the one hand, and, on the other, points in Illinois, Indiana (except party novelties and decorations from Shippensburg, Pa., to Peru, Ind.), Kentucky, Michigan, Ohio, Pennsylvania, and Wisconsin. Note: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Harrisburg, Pa., or Washington, D.C.

No. MC 126270 (Sub-No. 4), filed August 9, 1972. Applicant: COMPTON SERVICE COMPANY, a corporation, 1218 South Vandeventer, St. Louis, MO 63110. Applicant's representative: Billy J. Hunt (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Kitchen equipment*, as described in appendix IV and electrical appliances, equipment, and parts as described in appendix VII to the report in Descriptions in Motor Carrier Certificates, 61 MCC 209, new furniture (un-crated), bicycles, gym sets, lawnmowers, athletic and sporting goods and equipment, rugs and carpets, for the account of Famous Barr Co., from St. Louis, Mo., and points in St. Louis County, Mo., to those points in Illinois on and within a line beginning at the Mississippi River at or near Mozier, Ill., and extending east along Illinois Highway 96 to junction Illinois Highway 108, thence east along Illinois Highway 108 to junction Interstate Highway 55, thence south along Interstate Highway 55 to junction Illinois Highway 16, thence east along Illinois Highway 16 to junction Illinois Highway

127, thence south along Illinois Highway 127 to junction Illinois Highway 154, thence west along Illinois Highway 154 to junction Illinois Highway 150, thence south along Illinois Highway 150 to the Mississippi River at or near Chester, Ill., with pickup from said points and return to Famous Barr Co. warehouse in St. Louis, Mo. NOTE: If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo.

No. MC 126899 (Sub-No. 57), filed August 17, 1972. Applicant: USHER TRANSPORT, INC., 3925 Old Benton Road, Paducah, KY 42001. Applicant's representative: George M. Catlett, 703-706 McClure Building, Frankfort, Ky. 40601. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Malt beverages, in containers, and incidental advertising material and premiums, and empty malt beverage containers on return, from Newport, Ky., to points in Massachusetts, Maryland, Connecticut, Rhode Island, New Hampshire, Vermont, Delaware, and the District of Columbia.* NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Louisville, Ky., or Cincinnati, Ohio.

No. MC 127274 (Sub-No. 37), filed August 30, 1972. Applicant: SHERWOOD TRUCKING, INC., 1517 Hoyt Avenue, Muncie, IN 47302. Applicant's representative: Donald W. Smith, 900 Circle Tower, Indianapolis, Ind. 46204. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Glass containers and closures* therefor, from Terre Haute, Ind., to points in Tennessee, Georgia, Louisiana, North Carolina, and South Carolina; and (2) *materials, equipment, and supplies* used in the manufacture and distribution of glass containers, from points in Louisiana, Georgia, and Tennessee, to Terre Haute, Ind. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Indianapolis, Ind.

No. MC 127834 (Sub-No. 81), filed August 22, 1972. Applicant: CHEROKEE HAULING & RIGGING, INC., 540-42 Merritt Avenue, Nashville, TN 37203. Applicant's representative: M. Bryan Stanley (same address as above). Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Roadbuilding, earthmoving, construction, mining, and contractors' machinery and equipment, and parts thereof* when moving at the same time or separately, from Chattanooga, Tenn., to points in the United States, including Alaska but excluding Hawaii. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Chattanooga, Tenn.

No. MC 129086 (Sub-No. 18), filed August 18, 1972. Applicant: SPENCER TRUCKING CORPORATION, Box 254A, Route 2, Keyser, WV 26726. Applicant's representative: Charles E. Creager, Suite 523, 816 Easley Street, Silver Spring, MD 20910. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Slate cinders, from points in Amherst County, Va., to points in Delaware, Maryland, Pennsylvania, New Jersey, New York, West Virginia, and the District of Columbia.* NOTE: Common control may be involved. Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C.

No. MC 129558 (Sub-No. 6), filed August 17, 1972. Applicant: ROY ROSS, doing business as ROY ROSS TRUCKING COMPANY, Post Office Box 405, Spruce Street, Gallipolis, OH 45631. Applicant's representative: James R. Stiverson, 50 West Broad Street, Columbus, OH 43215. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packing-houses, as described in sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides and liquid commodities in bulk) from Bidwell and Xenia, Ohio, to points in Indiana and Michigan, under contract with Bob Evans Farms, Inc.* NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbia, Ohio, or Washington, D.C.

No. MC 129910 (Sub-No. 4), filed August 21, 1972. Applicant: PORT OF NEW YORK EXPRESS CO. INC., 145 Morgan Street, Jersey City, NJ 07302. Applicant's representative: Martin Werner, 2 West 45th Street, New York, NY 10036. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Bed sheets and pillow cases, between points in the New York, N.Y., commercial zone, as defined in 84 M.C.C. 747, on the one hand, and, on the other, Garwood, N.J., under a continuing contract with Petersen Linen Co.* NOTE: If a hearing is deemed necessary, applicant requests it be held at New York, N.Y., or Newark, N.J.

No. MC 133106 (Sub-No. 23), filed August 30, 1972. Applicant: NATIONAL CARRIERS, INC., 1501 East Eighth Street, Post Office Box 1358, Liberal, KS. Applicant's representative: Frederick J. Coffman, 521 South 14th Street, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a contract carrier, by motor vehicle, over irregular routes, transporting: *Lamps and related advertising and packaging materials, from the plantsite and storage facilities used by International Telephone and Telegraph Corp., at or near Lynn, Mass., to points in Illinois, Oklahoma, Indiana, Colorado, Texas, Wisconsin, California,*

Oregon, Missouri, and Nebraska, under continuing contract with International Telephone and Telegraph Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at Kansas City, Mo., or Boston, Mass.

No. MC 133566 (Sub-No. 21), filed August 17, 1972. Applicant: GANGLOFF & DOWNHAM TRUCKING CO., INC., Post Office Box 676, Logansport, IN 46947. Applicant's representative: William L. Slover, 1224 17th Street NW., Washington, DC 20036. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts, and articles distributed by meat packinghouses, as described in sections A and C of Appendix I to the report in Descriptions in Motor Carrier Certificates, 61 M.C.C. 209 and 766 (except hides and commodities in bulk, in tank vehicles), from St. Louis, Mo., and its commercial zone to points in Michigan, Ohio, Indiana, Pennsylvania, New York, Maine, New Hampshire, Rhode Island, Massachusetts, Connecticut, New Jersey, Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, and the District of Columbia.* NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at St. Louis, Mo., or Washington, D.C.

No. MC 133966 (Sub-No. 19), filed August 10, 1972. Applicant: NORTH EAST EXPRESS, INC., Post Office Box 61, Mountaintop, PA 18707. Applicant's representative: Edward G. Villalon, 1032 Pennsylvania Building, Pennsylvania Avenue and 13th Street NW., Washington, D.C. 20004. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: (1) *Mineral wool, mineral wool products, insulation and insulation materials (except commodities in bulk), from Wright Township, Luzerne County, Pa., to points in Virginia, West Virginia, Kentucky, Indiana, North Carolina, South Carolina, and the District of Columbia; and (2) equipment, supplies and materials used in the manufacture and shipping of the commodities described in part (1) above, from Virginia, West Virginia, Kentucky, Indiana, North Carolina, South Carolina, and the District of Columbia to Wright Township, Luzerne County, Pa.* NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Washington, D.C., or Philadelphia, Pa.

No. MC 134068 (Sub-No. 13), filed August 14, 1972. Applicant: KODIAK REFRIGERATED LINES, INC., 3336 East Fruitland Avenue, Vernon, CA 90058. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a common carrier, by motor vehicle, over irregular routes, transporting: *Canned goods, from points in California to points in Illinois.* NOTE: Applicant states that

the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Los Angeles, Calif.

No. MC 134433 (Sub-No. 2), filed August 21, 1972. Applicant: FRITZ-WAY MESSENGER SERVICE, INC., 1440 West 34th Street, Chicago, IL 60608. Applicant's representative: Eugene L. Cohn, 1 North La Salle Street, Chicago, IL 60602. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Merchandise, equipment, and supplies*, sold, used, or distributed by a manufacturer of cosmetics, and return shipments of said commodities, (1) between Morton Grove and Glenview, Ill., and Springdale, Ohio, on the one hand, and, on the other, points in that part of Indiana located on, and north of a line extending from the Indiana-Illinois State line along U.S. Highway 40 to Terre Haute, Ind., and thence along Indiana Highway 46 to the Indiana-Ohio State line; points in that part of Michigan bounded by a line beginning at Ludington, Mich., and extending along U.S. Highway 10 to junction Michigan Highway 25, thence along Michigan Highway 25 to junction U.S. Highway 25, thence along U.S. Highway 25 to junction Interstate Highway 94, thence along Interstate Highway 94 to junction Interstate Highway 75, thence along Interstate Highway 75 to the Michigan-Ohio State line; and (2) between points in that part of Indiana located on and north of a line beginning at the Illinois-Indiana State line and extending along U.S. Highway 40 to Terre Haute, Ind., thence along Indiana Highway 46 to the Indiana-Ohio State line. Restriction: The above-described operations are limited to a transportation service to be performed under a continuing contract, or contracts, with Avon Products, Inc. NOTE: Common control and dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill.

No. MC 134599 (Sub-No. 46) (Correction), filed June 23, 1972, published in the FEDERAL REGISTER of July 20, 1972, and republished as corrected this issue. Applicant: INTERSTATE CONTRACT CARRIER CORPORATION, Post Office Box 748, Salt Lake City, UT 84110. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Tire fabric* (1) from Scottsville, Va.; Shelbyville, Tenn., and Winnsboro, S.C., to Louisville, Ky., and (2) from Louisville, Ky., to Detroit, Mich., Eau Claire, Wis., Chicopee Falls, Mass., Opelika, Ala., and Los Angeles, Calif., under contract with Uniroyal, Inc. NOTE: The purpose of this republication is to reflect (2) above, which was erroneously omitted in the previous publication. If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr., or Salt Lake City, Utah.

No. MC 134599 (Sub-No. 48) (clarification), filed July 3, 1972, published in the FEDERAL REGISTER issue of August 3, 1972, and republished as clarified this issue. Applicant: INTERSTATE CONTRACT CARRIER CORPORATION, Post Office Box 748, Salt Lake City, UT 84110. Applicant's representative: Richard A. Peterson, Post Office Box 80806, Lincoln, NE 68501. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Rubber, rubber products, plastics, chemicals, and equipment, materials and supplies* used in the manufacturing and production thereof (except in bulk, in tank vehicles), (1) from Detroit, Mich., to Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Santa Ana, Calif.; Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass.; and Beacon Falls, Conn.; (2) from Flint, Mich., to Opelika and Birmingham, Ala.; Atlanta and Doraville, Ga.; Chattanooga, Tenn.; Los Angeles and Santa Ana, Calif.; Chicopee Falls, Holyoke, Springfield, Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J., and Beacon Falls, Conn.; (3) from Opelika, Ala., to Flint, Mich.; Santa Ana, Calif.; Minneapolis, Minn.; Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass., and Beacon Falls, Conn.; (4) from Doraville and Atlanta, Ga., to Chattanooga, Tenn.; Birmingham, Ala., Detroit and Flint, Mich.; Los Angeles and Santa Ana, Calif.; Eau Claire, Wis.; Minneapolis, Minn.; Chicopee Falls, Holyoke, Springfield, and Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J., and Beacon Falls, Conn.; (5) from Los Angeles, Calif., to Flint, Mich.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Birmingham, Ala.; Minneapolis, Minn.; Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass., and Beacon Falls, Conn.; (6) from Santa Ana, Calif., to Detroit and Flint, Mich.; Opelika and Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Eau Claire, Wis.; Minneapolis, Minn.; Chicopee Falls, Holyoke, Springfield, and Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J., and Beacon Falls, Conn.; (7) from Eau Claire, Wis., to Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Birmingham, Ala.; Santa Ana, Calif.; Philadelphia, Pa.; Port Newark, N.J.; and Beacon Falls, Mass., and Beacon Falls, Conn.; (8) from Minneapolis, Minn.; to Opelika and Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Los Angeles and Santa Ana, Calif.; Chicopee Falls, Holyoke, Springfield, and Easthampton, Mass.; Philadelphia, Pa.; Port Newark, N.J.; and Beacon Falls, Conn.; (9) from Chicopee Falls, Mass.; to Flint, Mich.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Birmingham, Ala.; Santa Ana, Calif., and Minneapolis, Minn.; and (10) from Philadelphia, Pa.; Port Newark, N.J.; Holyoke, Springfield, and Easthampton, Mass.; and Beacon Falls, Conn.; to De-

troit and Flint, Mich.; Opelika and Birmingham, Ala.; Doraville and Atlanta, Ga.; Chattanooga, Tenn.; Los Angeles and Santa Ana, Calif.; Eau Claire, Wis.; and Minneapolis, Minn., under a continuing contract with Uniroyal, Inc., restricted to traffic originating at and destined to the plantsites and warehouses of Uniroyal, Inc. NOTE: The purpose of this republication is to add the word "to" after the origins Doraville and Atlanta, Ga., in Part (4) of the application, which was erroneously omitted. If a hearing is deemed necessary, applicant requests it be held at Lincoln, Nebr., or Salt Lake City, Utah.

No. MC 134775 (Sub-No. 3), filed July 12, 1972. Applicant: GUNTER BROTHERS, INC., 19060 Frager Road, Kent, WA 98031. Applicant's representative: George R. LaBissoniere, 1424 Washington Building, Seattle, Wash. 98101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Roofing materials; shakes and shingles; surplus supplies, and salvage*, between points in Washington, California, and Oregon, under contract with Hatch & Kirk, Inc., Diesel Service Co., Puget Sound Salvage & Equipment Co., Harbor Island Supply, Inc., and C Roofing Supply Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Seattle, Wash.

No. MC 134806 (Sub-No. 9), filed August 23, 1972. Applicant: B-D-R TRANSPORT, INC., Post Office Box 813, Brattleboro, VT 05301. Applicant's representative: Francis J. Ortman, 1100 17th Street NW, Suite 613, Washington, DC 20036. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Footwear*, from points in Massachusetts, New Hampshire (except Manchester, Nashua, and Rollinsford), and Maine (except Brunswick and North Berwick) to Brattleboro, Vt., under contract with Dunham Brothers Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Brattleboro, Vt., or Boston, Mass.

No. MC 135840 (Sub-No. 2), filed August 7, 1972. Applicant: S & S ENTERPRISES, INC., 2525 Burlington, Billings, MT 59102. Applicant's representative: Hugh Sweeney, 2720 Third Avenue North, Billings, MT 59101. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Carbonated beverages, beverage cans, vending machines, tanks, ice chests, sirups, CO₂ drums and paper cups*, from Billings, Mont., to Sheridan, Wyo., under contract with Wy-Mont Beverages, Billings, Mont. NOTE: If a hearing is deemed necessary, applicant requests it be held at Billings, Mont.

No. MC 135895 (Sub-No. 2), filed August 28, 1972. Applicant: DON RAY BOYD AND JACKIE ROGERS, a partnership, doing business as B & R DRAYAGE COMPANY, 525 Julianne Street, Jackson, MS 39205. Applicant's representative: Douglas C. Wynn, Post Office Box 1295, Greenville, MS 38701.

Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Agricultural insecticides*, except liquids in bulk, from the plantsites and warehouses of Allied Chemical Corp., at or near Prairie, Miss., to points in Alabama, Georgia, Louisiana, and Texas; and *empty trailers*, on return. NOTE: If a hearing is deemed necessary, applicant requests it be held at Jackson, Miss.

No. MC 136309 (Sub-No. 1), filed August 14, 1972. Applicant: KIRK A. JEFFERTS, 2915 Green Lantern Road, Everett, WA 98204. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wooden shakes, shingles, and ridge trim*, from points in Skagit Co., Wash., to points in California. NOTE: Applicant states that the requested authority cannot be tacked with its existing authority. If a hearing is deemed necessary, applicant requests it be held at Seattle or Everett, Wash.

No. MC 136316 (Sub-No. 1), filed August 25, 1972. Applicant: JOHN W. SMITH, doing business as JOHN W. SMITH TRUCKING CO., Route 4, Riverside Road, Lancaster, S.C. 29720. Applicant's representative: Frank A. Graham, Jr., 707 Security Federal Building, Columbia, S.C. 29201. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Iron and steel articles*, from Lancaster, S.C., to points in the United States east of the Mississippi River and points in Louisiana, Minnesota, and Texas, under contract with Lehigh-Lancaster, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbia, S.C., Charlotte, N.C., or Washington, D.C.

No. MC 136410 (Sub-No. 1), filed August 28, 1972. Applicant: NORRIS SAMPLER, Route 2, Post Office Box 322, Hart, TX. Applicant's representative: John C. Sims, 1607 Broadway, Lubbock, TX 79401. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Alfalfa pellets*, from points in Barton and Pawnee Counties, Kans., to points in Texas, under contract with Alfalfa Pellets, Inc. NOTE: If a hearing is deemed necessary, applicant requests it be held at Lubbock, Tex.

No. MC 136545 (Sub-No. 3), filed August 21, 1972. Applicant: NUSSBERGER BROS. TRUCKING CO., INC., Post Office Box 97, Prentice, WI 54556. Applicant's representative: A. R. Fowler, 2288 University Avenue, St. Paul, MN 55114. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Animal and poultry feed and animal and poultry feed concentrates*, in bags, when in mixed shipments with animal and poultry feed and animal and poultry feed concentrates, in bulk, from Minneapolis, Minn., to points in Ashland, Brown, Door, Florence, Forest, Iron, Kewaunee, Langlade, Lincoln, Marathon, Marinette, Menominee, Oconto, Oneida, Outagamie, Price, Shaw-

ano, Taylor, and Vilas Counties, Wis. NOTE: Applicant holds contract carrier authority under MC 124121 and Subs thereunder, therefore, dual operations may be involved. If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 136613 (Sub-No. 1), filed August 18, 1972. Applicant: DAVID DYKE, doing business as DYKE TRANSPORT, 112 Thomas, Worthington, MN 56187. Applicant's representative: Robert D. Gisvold, 1000 First National Bank Building, Minneapolis, Minn. 55402. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Inoperative farm tractors and farm machinery and subassemblies thereof*, being transported to points of salvage, from points in California, Arizona, Colorado, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Texas, Iowa, Missouri, Arkansas, Louisiana, Mississippi, and Alabama, to Worthington, Minn. NOTE: If a hearing is deemed necessary, applicant requests it be held at Minneapolis, Minn.

No. MC 136631 (Sub-No. 1), filed August 17, 1972. Applicant: LEO THOMAS SWINEY, Box 207, Owaneco, IL 62555. Applicant's representative: Robert T. Lawley, 300 Reisch Building, Springfield, Ill. 62701. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Dressed beef and beet offal*, in mechanically refrigerated vehicles, for the account of McCabe Packing Plant, from Taylorville, Ill., to points in Arkansas, Indiana, Iowa, Kentucky, Michigan, Missouri, Minnesota, Mississippi, Ohio, Tennessee, and Wisconsin, under contract with Joseph McCabe, doing business as McCabe Packing Plant, Taylorville, Ill. NOTE: If a hearing is deemed necessary, applicant requests it be held at Chicago, Ill., St. Louis, Mo., or Springfield, Ill.

No. MC 136910 (Sub-No. 1), filed July 13, 1972. Applicant: TAGGART SERVICE LIMITED, 885 Churchill Avenue, Ottawa, ON, Canada. Applicant's representative: Frank J. Kerwin, Jr., 900 Guardian Building, Detroit, Mich. 48221. Authority sought to operate as a *common carrier*, by motor vehicles, over irregular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, and those requiring special equipment), between ports of entry on the international boundary line between the United States-Canada, at or near Alexandria Bay (Ivy Lea Bridge), N.Y., on the one hand, and, on the other, the international compound at or near Alexandria Bay, N.Y. NOTE: If a hearing is deemed necessary, applicant requests it be held at Buffalo, N.Y., or Detroit, Mich.

No. MC 136969, filed August 9, 1972. Applicant: JAMES NEIL FURLOW, doing business as FURLOW'S GARAGE, 1501 Ford Avenue, Cumberland, MD 21502. Applicant's representative: John F. Somerville, Jr., 71 Prospect Square,

Cumberland, MD 21502. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, *Towing disabled and nondisabled vehicles* (tractor-trailer towing), within a 50-mile radius of Cumberland, Md., to embrace: (1) U.S. Route 50 to Grafton, W. Va.; (2) U.S. Route 220 north to Pennsylvania Turnpike; on turnpike to Breezewood, Pa., East; (3) U.S. Route 50 East to Winchester, Va.; (4) U.S. Route 40 West to Uniontown, Pa.; and (5) U.S. Route 40 East to Hagerstown, Md., under contract with Fairmont Foods, Hall's Motor Transit, Motor Freight Express, Hemingway Bros., Douglas Meat Co., Charlton Bros. Trucking Co., and Crites Transfer Co. NOTE: If a hearing is deemed necessary, applicant requests it be held at Cumberland, Md., or Washington, D.C.

No. MC 136974, filed August 11, 1972. Applicant: CHECKER TRANSFER & STORAGE CO., a corporation, Huger and Blossoms Streets, Columbia, S.C. 29201. Applicant's representative: Robert J. Gallagher, 1776 Broadway, New York City, NY 10019. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods*, as defined by the Commission, between points in South Carolina, on the one hand, and, on the other, points in Alabama, Georgia, Florida, Tennessee, Kentucky, West Virginia, Virginia, Maryland, North Carolina, South Carolina, Ohio, and the District of Columbia. NOTE: If a hearing is deemed necessary, applicant requests it be held at Columbia, S.C.

No. MC 138007, filed August 21, 1972. Applicant: S. P. GERDAGEN & SONS, INC., 171 Christopher Street, New York, NY 10014. Applicant's representative: Morris Honig, 150 Broadway, New York, NY 10038. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Cameras and business machines and parts thereof, and advertising materials, supplies, and displays*, (1) between points in the New York, N.Y., commercial zone as defined by the Commission, Port Newark and Port Elizabeth, N.J., on the one hand, and, on the other, Ramsey, N.J., restricted to shipments having a prior or subsequent movement by water, (2) between John F. Kennedy International Airport at New York, N.Y., on the one hand, and, on the other, Ramsey, N.J., restricted to shipments having a prior or subsequent movement by air, and (3) between Ramsey, N.J., and New York, N.Y., under contract with Minolta Corp. NOTE: If a hearing is deemed necessary, applicant requests it be held at New York, N.Y.

MOTOR CARRIER OF PASSENGERS

No. MC 109014 (Sub-No. 6), filed June 7, 1972. Applicant: GREAT SOUTHERN COACHES, INC., 900 Burke Avenue, Jonesboro, AR 72401. Applicant's representative: Forrest P. Carson, 211 East Capitol Avenue, Jefferson City, MO 65101. Authority sought to operate as a *common carrier*, by motor vehicle, over

regular and irregular routes, transporting: Regular routes: (1) *Passengers and their baggage and express and newspapers* in the same vehicle with passengers, between St. Louis, Mo., and Chester, Ill., from St. Louis, Mo., over Interstate Highway 55 to East St. Louis, Ill., thence over U.S. Highway 460 to Belleville, Ill., thence over Illinois Highway 159 to Redbud, Ill., thence over Illinois Highway 3 to Chester, Ill., and return over the same route, serving all intermediate points; and irregular routes: (2) *Passengers and their baggage and express and newspapers* in the same vehicle with passengers, in charter operations, beginning and ending at points on the above routes, and extending to points in the United States, including Alaska, (but excluding Hawaii). Note: If a hearing is deemed necessary, applicant requests it be held at either (1) St. Louis, Mo.; (2) Belleville, Ill.; or (3) Cape Girardeau, Mo.

APPLICATIONS FOR BROKERAGE LICENSE

No. MC 12645 (Sub-No. 7), filed August 25, 1972. Applicant: PARAGON TRAVEL AGENCY, INC., 680 Purchase Street, New Bedford, MA. Applicant's representative: S. Harrison Kahn, 733 Investment Building, Washington, D.C. 20005. For a license (BMC-5) to engage in operations as a broker at Taunton, Mass., and Warwick and Woonsocket, R.I., in arranging transportation by motor vehicle in interstate or foreign commerce, of *passengers and their baggage* in special and charter operations between points in the United States, including Alaska and Hawaii.

No. MC 130176, filed August 14, 1972. Applicant: ARTHUR L. MABRY,

SR., AND NELL MABRY, doing business as CENTER TRAVEL SERVICE, 225 Peachtree Street NE., Suite 2306, Atlanta, GA 30303. Applicant's representative: Bruce E. Mitchell, Post Office Box 872, Atlanta, GA 30301. For a license (BMC-5) to engage in operations as a broker at Atlanta, Ga., in arranging for the transportation, by motor vehicle, in interstate or foreign commerce, of *passengers and their baggage*, in special and charter operations, between points in the United States, including Alaska and Hawaii.

APPLICATIONS IN WHICH HANDLING WITHOUT ORAL HEARING HAS BEEN REQUESTED

No. MC 135234 (Sub-No. 9), filed August 16, 1972. Applicant: COMMERCIAL CARTAGE, INC., Stop 24 Winfield Road, St. Albans, WV 25177. Applicant's representative: Marvin L. Meadows (same address as applicant). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Electric cable, aluminum coils, aluminum rod, and empty reels*, between Williamsport and Jersey Shore, Pa., and Tucker, Ga., on the one hand, and, on the other, points in Alabama, Connecticut, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Virginia, West Virginia, Wisconsin, and the District of Columbia, under contract with Alcan Aluminum Corp.

No. MC 136714 (Sub-No. 1), filed August 31, 1972. Applicant: TENNESSEE EXPRESS, INC., 22 Stanley Street,

Nashville, TN 37210. Applicant's representative: Philip B. George (same address as above). Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Telephone equipment, material, and supplies*, including tools used in the construction and maintenance of telephone systems and communications, between Nashville, Tenn., and points in Cannon, Cheatham, Clay, De Kalb, Dickson, Houston, Jackson, Macon, Montgomery, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Williamson, and Wilson Counties, Tenn., under contract with Western Electric Co., Inc.

No. MC 109598 (Sub-No. 42), filed August 23, 1972. Applicant: CAROLINA SCENIC STAGES, 417 West Fifth Street, Charlotte, NC 28201. Applicant's representative: James E. Wilson, Suite 1032, 425 13th Street NW., Washington, DC 20004. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *Passengers, and their baggage, and express and newspapers* in the same vehicle with passengers, between Charlotte, N.C., and junction U.S. Highway 21 and South Carolina Highway 160 near Fort Mill, S.C., from Charlotte over Interstate Highway 77 to junction U.S. Highway 21, thence over U.S. Highway 21 to junction South Carolina Highway 160, and return over the same route, serving the intermediate points of Carowinds only. Note: Common control may be involved.

By the Commission.

[SEAL]

ROBERT L. OSWALD,
Secretary.

[FR Doc.72-15971 Filed 9-20-72; 8:47 am]

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PART II



CIVIL AERONAUTICS BOARD

■

**Uniform System of Accounts
and Reports for Certificated
Air Carriers**

■

Republication of Regulations

Title 14—AERONAUTICS AND SPACE

Chapter II—Civil Aeronautics Board

SUBCHAPTER A—ECONOMIC REGULATIONS

[Reg. ER-755]

PART 241—UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 18th day of August 1972.

Pursuant to authority delegated to the General Counsel in § 385.19(f) of the Board's Organization Regulations, Part 241 is hereby reissued, effective October 3, 1972, to incorporate all amendments which were in effect on the date of adoption of this ER-755.

By the Civil Aeronautics Board.

[SEAL]

O. D. OZMENT,
Acting General Counsel.

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AUTHORITY: The provisions of this Part 241 issued under secs. 204, 401, 407, 417 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 754 (as amended), 766 (as amended); 76 Stat. 145; 49 U.S.C. 1324, 1371, 1377, 1387; and sec. 3 of the Administrative Procedure Act, 81 Stat. 54, 5 U.S.C. 552.

Section 01—Authority Under Which Accounting and Reporting Rules and Regulations are Prescribed and Administered

This Uniform Systems of Accounts and Reports for Certificated Air Carriers is issued, prescribed and administered under the following provisions of the Federal Aviation Act of 1958, as amended (72 Stat. 731, 49 U.S.C. 1301):

GENERAL POWERS

SEC. 204. (a) The Board is empowered to perform such acts, to conduct such investigations, to issue and amend such orders, and to make and amend such general or special rules, regulations, and procedure, pursuant to and consistent with the provisions of this Act, as it shall deem necessary to carry out the provisions of, and to exercise and perform its powers and duties under, this Act.

FILING OF REPORTS

SEC. 407. (a) The Board is empowered to require annual, monthly, periodical, and special reports from any air carrier; to prescribe the manner and form in which such reports shall be made; and to require from any air carrier specific answers to all questions upon which the Board may deem information to be necessary. Such reports shall be under oath whenever the Board so requires. The Board may also require any air carrier to file with it a true copy of each or any contract, agreement, understanding, or arrangement, between such air carrier and any other carrier or person, in relation to any traffic affected by the provisions of this Act.

DISCLOSURE OF STOCK OWNERSHIP

SEC. 407. (b) Each air carrier shall submit annually, and at such other times as the Board shall require, a list showing the names of each of its stockholders or members holding more than 5 per centum of the entire capital stock or capital, as the case may be, of such air carrier, together with the name of any person for whose account, if other than the holder, such stock is held; and a report setting forth a description of the shares of stock, or other interest, held by such air carrier, or for its account, in persons other than itself.

FORM OF ACCOUNTS

SEC. 407. (d) The Board shall prescribe the forms of any and all accounts, records, and memoranda to be kept by air carriers, including the accounts, records, and memoranda of the movement of traffic, as well as of the receipts and expenditures of money, and the length of time such accounts, records, and memoranda shall be preserved; and it shall be unlawful for air carriers to keep any accounts, records, or memoranda other than those prescribed or approved by the Board: *Provided*, That any air carrier may keep additional accounts, records, or memoranda if they do not impair the integrity of the accounts, records, or memoranda prescribed or approved by the Board and do not constitute an undue financial burden on such air carrier.

INSPECTION OF ACCOUNTS AND PROPERTY

SEC. 407. (e) The Board shall at all times have access to all lands, buildings, and equipment of any carrier and to all accounts records, and memoranda, including all documents, papers, and correspondence, now or hereafter existing, and kept or required to be kept by air carriers; and it may employ special agents or auditors, who shall have authority under the orders of the Board to inspect and examine any and all such lands, buildings, equipment, accounts, records, and memoranda. The provisions of this section shall apply, to the extent found by the Board to be reasonably necessary for the administration of this Act, to persons having control over any air carrier, or affiliated with any air carrier within the meaning of section 5(8) of the Interstate Commerce Act, as amended.

CLASSIFICATION

SEC. 416. (a) The Board may from time to time establish such just and reasonable classifications or groups of air carriers for the

purposes of this title as the nature of the services performed by such air carriers shall require; and such just and reasonable rules and regulations, pursuant to and consistent with the provisions of this title, to be observed by each such class or group, as the Board finds necessary in the public interest.

SAFETY, ECONOMIC AND POSTAL OFFENSES

Sec. 901. (a) (1) Any person who violates (A) any provision of title III, IV, V, VI, VII, or XII of this Act, or any rule, regulation, or order issued thereunder, or under section 1002(1), or any term, condition or limitation of any permit or certificate issued under title IV, or (B) any rule or regulation issued by the Postmaster General under this Act, shall be subject to a civil penalty of not to exceed \$1,000 for each such violation. If such violation is a continuing one, each day of such violation shall constitute a separate offense: *Provided*, That this subsection shall not apply to members of the Armed Forces of the United States, or those civilian employees of the Department of Defense who are subject to the provisions of the Uniform Code of Military Justice, while engaged in the performance of their official duties; and the appropriate military authorities shall be responsible for taking any necessary disciplinary action with respect thereto and for making to the Administrator or Board, as appropriate, a timely report of any such action taken.

(2) Any such civil penalty may be compromised by the Administrator in the case of violations of titles III, V, VI, or XII, or any rule, regulation, or order issued thereunder, or by the Board in the case of violations of titles IV or VII, or any rule, regulation or order issued thereunder, or under section 1002(1), or any term, condition, or limitation of any permit or certificate issued under title IV, or by the Postmaster General in the case of regulations issued by him. The amount of such penalty, when finally determined, or the amount agreed upon in compromise, may be deducted from any sums owing by the United States to the person charged.

FAILURE TO FILE REPORTS; FALSIFICATION OF RECORDS

Sec. 902 (e) Any air carrier, or any officer, agent, employee, or representative thereof, who shall, knowingly and willfully, fail or refuse to make a report to the Board or Administrator as required by this Act, or to keep or preserve accounts, records, and memoranda in the form and manner prescribed or approved by the Board or Administrator, or shall, knowingly and willfully, falsify, mutilate, or alter any such report, account, record, or memorandum, or shall knowingly and willfully file any false report, account, record, or memorandum, shall be deemed guilty of a misdemeanor and, upon conviction thereof, be subject for each offense to a fine of not less than \$100 and not more than \$5,000.

REFUSAL TO TESTIFY

Sec. 902. (g) Any person who shall neglect or refuse to attend and testify, or to answer any lawful inquiry, or to produce books, papers, or documents, if in his power to do so, in obedience to the subpoena or lawful requirement of the Board or Administrator, shall be guilty of a misdemeanor and, upon conviction thereof, shall be subject to a fine of not less than \$100 nor more than \$5,000, or imprisonment for not more than one year, or both.

FILING OF COMPLAINTS AUTHORIZED

Sec. 1002. (a) Any person may file with the Administrator or the Board, as to matters within their respective jurisdictions, a complaint in writing with respect to anything

done or omitted to be done by any person in contravention of any provisions of this Act, or of any requirement established pursuant thereto. If the person complained against shall not satisfy the complaint and there shall appear to be any reasonable ground for investigating the complaint, it shall be the duty of the Administrator or the Board to investigate the matters complained of. Whenever the Administrator or the Board is of the opinion that any complaint does not state facts which warrant an investigation or action, such complaint may be dismissed without hearing. In the case of complaints against a member of the Armed Forces of the United States acting in the performance of his official duties, the Administrator or the Board, as the case may be, shall refer the complaint to the Secretary of the department concerned for action. The Secretary shall, within ninety days after receiving such a complaint, inform the Administrator or the Board of his disposition of the complaint, including a report as to any corrective or disciplinary actions taken.

INVESTIGATIONS ON INITIATIVE OF ADMINISTRATOR OR BOARD

Sec. 1002. (b) The Administrator or Board, with respect to matters within their respective jurisdictions, is empowered at any time to institute an investigation, on their own initiative, in any case and as to any matter or thing within their respective jurisdictions, concerning which complaint is authorized to be made to or before the Administrator or Board by any provision of this Act, or concerning which any question may arise under any of the provisions of this Act, or relating to the enforcement of any of the provisions of this Act. The Administrator or the Board shall have the same power to proceed with any investigation instituted on their own motion as though it had been appealed to by complaint.

ENTRY OF ORDERS FOR COMPLIANCE WITH ACT

Sec. 1002. (c) If the Administrator or the Board finds, after notice and hearing, in any investigation instituted upon complaint or upon their own initiative, with respect to matters within their jurisdiction, that any person has failed to comply with any provision of this Act or any requirement established pursuant thereto, the Administrator or the Board shall issue an appropriate order to compel such person to comply therewith.

Section 03—Definitions for Purposes of This System of Accounts and Reports

Account, clearing—an account used as a medium for the temporary accumulation of costs that are redistributed to appropriate applicable accounts.

Acquisition, date of—the date on which the title to owned property or equipment (or the right to use or control the reassignment of leased property or equipment) passes to the air carrier.

Act—the Federal Aviation Act of 1958, as amended.

Addition, property—additional equipment, land, structures, and other tangible property; extensions of fuel, water, and oil distribution equipment; additions to buildings and other structures; and additional safety devices applied to equipment not previously thus equipped. (See also *Modification*.)

Affiliated group—A combination of companies comprised of the air carrier, any person controlling the air carrier or under common control with the air car-

rier, and organizational divisions (as defined in sections 1-6) of and persons controlled by the air carrier.

Agent, cargo—any person (other than the air carrier performing the direct air transportation or one of its bona fide regular employees or an indirect air carrier lawfully engaged in air transportation under authority conferred by any applicable part of the Economic Regulations of the Board) who for compensation or profit: (1) Solicits, obtains, receives or furnishes directly or indirectly property or consolidated shipments of property for transportation upon the aircraft of an air carrier subject to this part, or (2) procures or arranges for air transportation of property or consolidated shipments of property upon aircraft of an air carrier subject to this part by charter, lease, or any other arrangement.

Agent, ticket—any person (other than the air carrier performing the direct air transportation or one of its bona fide regular employees, or an air carrier which subcontracts the performance of charter air transportation which it has contracted to perform) who for compensation or profit: (1) Solicits, obtains, receives, or furnishes directly or indirectly passengers or groups of passengers for transportation upon the aircraft of an air carrier subject to this part, or (2) procures or arranges for air transportation of passengers or groups of passengers upon aircraft of an air carrier subject to this part by charter, lease, or any other arrangement.

Agreement—any oral or written agreement, contract, understanding, or arrangement, and any amendment, revision, modification, renewal, extension, cancellation or termination thereof.

Air carrier—any citizen of the United States who undertakes, whether directly or indirectly or by a lease or any other arrangement, to engage in air transportation.

Air carrier, route—an air carrier holding a Certificate of Public Convenience and Necessity pursuant to section 401 (d) (1) or (2) of the Federal Aviation Act of 1958, as amended, authorizing it to engage in air transportation over a route, or routes, designated by the Board.

Air carrier, supplemental—an air carrier holding a certificate issued under section 401(d) (3) of the Federal Aviation Act of 1958, as amended, or a special operating authorization issued under section 417 of the Act.

Air carrier, surviving—an entity (air carrier) which, as the result of a business combination, has acquired the net assets, and carries on the operations of, one or more predecessor air carriers, and which may be newly organized at the time of the combination or may be one of the predecessor air carriers.

Aircraft—any contrivance now known or hereafter invented, used or designed for navigation of or flight in the air.

Aircraft days assigned to service—carrier's equipment—the number of days that aircraft owned or acquired through rental or lease (but not interchange) are in the possession of the reporting air carrier and are available for service on

the reporting carrier's routes plus the number of days such aircraft are in service on routes of others under interchange agreements. Includes days in overhaul, or temporarily out of service due to schedule cancellations. Excludes days that newly acquired aircraft are on hand but not available for productive use, days rented or leased to others (for other than interchange) and days in possession but formally withdrawn from air transportation service.

Aircraft days assigned to service—carrier routes—same as **aircraft days assigned to service—carrier's equipment** but excluding the number of days owned or rented equipment are in the possession of others under interchange agreements and including the number of days aircraft of others are in the possession of the air carrier under interchange agreements.

Aircraft, leased (rented)—aircraft obtained from (or furnished to) others under lease or rental arrangements. Leased and rented aircraft do not include those used under interchange agreements designed to provide one-plane service over the routes of the air carriers involved.

Aircraft type—a distinctive model as designated by the manufacturer.

Airport—a landing area regularly used by aircraft for receiving or discharging passengers or cargo.

Airport, alternate—an approved airport to which a flight may proceed if a landing at the airport to which the flight was dispatched becomes inadvisable.

Airport-to-airport distance—the great-circle distance, measured in statute miles, between airports as listed in the Book of Official C.A.B. Airlines Route Maps and Airport-to-Airport Mileages, published by Airline Tariff Publishers, Inc., from information compiled by the Civil Aeronautics Board. (See Part 247 of the Economic Regulations.)

Air transportation—the carriage by aircraft of persons, property, or mail.

Air transportation, supplemental—air transportation authorized pursuant to section 401(d)(3) or 417 of the Federal Aviation Act of 1958, as amended, or section 7 or 9 of Public Law 87-528.

Airworthiness (or Airworthy)—when applied to a particular aircraft or component part, it denotes the ability of such aircraft or component part to perform its function satisfactorily through a range of operations determined by the Federal Aviation Agency.

Allocate—to assign an item or group of items of investment, revenue, or cost to an object, activity, process, or operation, in accordance with cost responsibilities, benefits received, or other measure of apportionment.

Allocation, bases of—bases of distribution whereby revenues, expenses, and/or costs are equitably apportioned among revenue, expense, property and equipment, and other accounts.

Amortization—the gradual extinguishment of an amount in an account by distributing such amount over a fixed period, over the life of the asset or liability to which it applies or over the period

during which it is anticipated the benefit will be realized.

Asset, contingent—an asset the existence, value, or ownership of which depend upon the occurrence or nonoccurrence of a specific event or upon the performance or nonperformance of a specified act.

Associated company—a company in which the accounting air carrier holds 5 percent or more of the outstanding proprietary interest; or a company which holds 5 percent or more of the outstanding proprietary interest of the accounting air carrier; or a company that, directly or through one or more intermediaries, controls or is controlled by, or is under common control with the accounting air carrier. Companies owned or controlled jointly with other air carriers shall be regarded as associated companies for purposes of this system of accounts. (See also **Control**.)

Betterment—any improvement to property or equipment through the substitution of superior parts for inferior parts retired, the object of which is to make such property more useful or of greater capacity than at the time of acquisition or installation. (See also **Modification**.)

Board—the Civil Aeronautics Board.

Cargo—all traffic other than passengers.

Cargo transported—cargo on board each flight stage.

Certificated point—a city, place or population center authorized to receive scheduled air service under a **Certificate of Public Convenience and Necessity** or under an exemption issued to an air carrier.

Certificate of Public Convenience and Necessity—a certificate issued to an air carrier under Section 401, of the Act, by the Civil Aeronautics Board authorizing the carrier to engage in air transportation.

Company, predecessor—an air carrier whose net assets and operations have been taken over by one or more other air carriers.

Compensation (of personnel)—remuneration to air carrier employees for personal services. Includes salaries, wages, overtime pay, cost-of-living differentials, bonuses, etc., as distinguished from per diem allowances or reimbursement for expenses incurred by personnel for the benefit of the air carrier.

Continental United States—the 48 contiguous States and the District of Columbia.

Control (including the terms *Controlling, Controlled by, and Under common control*)—the possession, directly or indirectly, of the power positively to direct, or cause the direction of or negate the direction of, the management and policies of a company, whether such power is through one or more intermediary companies or alone or in conjunction with or pursuant to an agreement, and whether such power is established through a majority or minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, associated com-

panies, contract, or any other direct or indirect means.

Cost—the amount of cash (or its equivalent) actually paid for property, materials and supplies, and services, including that amount paid to put the property or materials and supplies in readiness for use. It includes such items as transportation charges, installation charges, and customs duties, less any cash or other discounts.

Cost, book—the amount at which an asset is recorded in an account without the deduction of amounts in related reserves or other accounts.

Cost, depreciated—the cost of property and equipment less the related reserves for depreciation.

Cost, removal—the cost of demolishing, dismantling, tearing down, or otherwise removing property and equipment, including the cost of related transportation and handling.

Debt, expense on—expenses incurred by or for the air carrier in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

Departures completed, percent scheduled—the percent of scheduled departures that were performed.

Departures completed, scheduled—the number of takeoffs performed at each airport pursuant to published schedules, exclusive of extra sections to scheduled departures.

Departure performed—a takeoff made at an airport.

Departure, scheduled—a takeoff scheduled at an airport, as set forth in published schedules.

Depreciation (of depreciable property and equipment)—the loss in service value, not restored by current maintenance, incurred in the course of service from causes known to be in current operation, against which the carrier is not protected by insurance, and the effect of which can be forecast with reasonable accuracy. The causes of depreciation include wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

Discount (of securities issued or assumed by the air carrier)—the excess of (1) the par or stated value of securities over (2) the then current money value of the consideration received from their sale less the amount included for dividends or for interest accrued.

Equipment—tangible property other than land, structures, and improvements.

Equivalent unit—a new unit substituted for an existing unit that is worn out, is damaged beyond repair, or has become inadequate in service, the sub-

stituted unit having substantially no greater capacity than the unit for which substituted.

Expense, capital stock—expenses incurred by or for the air carrier in connection with the initial issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock; including fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

Express—property transported by air under published air express tariffs filed with the Civil Aeronautics Board.

Flight, developmental—a flight for (1) the development of a new route either prior or subsequent to certification by the Civil Aeronautics Board; (2) the extension of an existing route; and (3) the integration of a new type of aircraft or service.

Flight, extra section—a flight, conducted as an integral part of scheduled service, that has not been provided for in published schedules and is required for transportation of traffic that cannot be accommodated on a regularly scheduled flight. Flights made in ferrying aircraft to meet schedules, or for similar operational reasons, are not extra sections and are classified as nonrevenue flights even if an occasional shipment, as a matter of special accommodation, is on board.

Flight, ferry—a flight for the purpose of returning an aircraft to base, equipment equalization, or moving an aircraft to and from a maintenance base.

Flight, paid positioning—a flight for the purpose of positioning an empty aircraft in connection with a charter flight for which a specific charge is set forth in a tariff or contract for application directly to the positioning miles operated. Such flights are considered revenue flights for Form 41 reporting purposes.

Flight, personnel training—a flight for the purpose of obtaining flying time for flight personnel or a flight in connection with a personnel training program.

Flight stage—the operation of an aircraft from take-off to landing. For purposes of classifying flight stages as between "domestic", "territorial", and "international", technical stops are disregarded. (See stops, technical.)

Freight—property transported by air under published air freight tariffs filed with the Civil Aeronautics Board.

Group basis (in depreciation accounting)—a plan under which (1) depreciation is based upon the application of a single depreciation rate to the total book cost of all property included in a given depreciable property and equipment account or class, despite differences in service life of individual items of property and equipment, (2) the full original cost, less any salvage realized, of an item of depreciable property or equipment re-

tired is charged to the reserve for depreciation regardless of the age of the item, and (3) no gain or loss is recognized on the retirement of individual items of property or equipment.

Horsepower, maximum continuous for reciprocating engines—the brake horsepower developed in standard atmosphere at a specified altitude and under the maximum conditions of crankshaft rotational speed and engine manifold pressure, and approved for use during periods of unrestricted duration.

Horsepower, maximum continuous for turbine engines—the brake horsepower developed at specified altitudes, atmospheric temperatures, and flight speeds and under the maximum conditions of rotor shaft rotational speed and gas temperature, and approved for use during periods of unrestricted duration.

Thrust, maximum continuous for turbine engines—the jet thrust developed at specified altitudes, atmospheric temperatures, and flight speeds and under the maximum conditions of rotor shaft rotational speed and gas temperature, and approved for use during periods of unrestricted duration.

Hours, aircraft—the airborne hours of aircraft computed from the moment an aircraft leaves the ground until it touches the ground at the end of a flight.

Hours flown, revenue aircraft—the aircraft hours of flights performed in revenue service.

Hours in capitalized projects, aircraft—aircraft hours applicable to ferrying newly acquired aircraft from the factory, to capitalized extension and development preoperating projects and to other costs which have been capitalized.

Hours per aircraft per day—carrier's equipment, revenue—average hours of productive use per day in revenue service of reporting carrier's equipment determined by dividing (1) Aircraft days assigned to service—carrier's equipment into (2) Revenue aircraft hours minus Revenue hours on other carrier's interchange equipment plus Total hours by others on the carrier's interchange equipment.

Hours per aircraft per day—carrier's routes, revenue—average hours of productive use per day in revenue service on reporting carrier's routes determined by dividing (1) Aircraft days assigned to service—carrier's routes into (2) Revenue aircraft hours.

Hours, ramp-to-ramp—the aircraft hours computed from the moment the aircraft first moves under its own power for purposes of flight, until it comes to rest at the next point of landing.

Improvement—an addition or alteration to land, a building, or a unit of equipment that results in a better piece of property, in the sense of greater durability, or in increased productivity or efficiency. (See also *Modification*.)

Insurance, self—the assumption by an air carrier of a risk of loss or liability arising from an accident or other contingent event.

Interchange agreement—an agreement under which aircraft of one air carrier are utilized to provide one-plane

service over its own routes and the routes of other air carriers.

Inventory, perpetual—a book inventory kept in continuous agreement with stock on hand by means of a detailed record.

Item, delayed—an item relating to transactions that occurred during a prior accounting period and that requires further accounting treatment for a true statement of financial condition or operating results. It includes adjustments of errors in the operating revenue, operating expense, and other income accounts for prior periods.

Liability, contingent—a possible source of obligation of an air carrier dependent upon the fulfillment of conditions regarded as uncertain.

Load, available—represents the maximum salable load. It is the allowable gross weight less the empty weight, less all justifiable aircraft equipment, and less the operating load (consisting of minimum fuel load, oil, flight crew, steward's supplies, etc.). For passenger aircraft, the available load must not exceed the weight of the maximum number of passengers who can be accommodated in the seats installed in the aircraft plus the weight of the traffic that can be accommodated in the cargo space.

Load, average revenue—the average total revenue tons carried in revenue services, determined by dividing total revenue ton-miles by aircraft miles flown in revenue services.

Load, average revenue passenger—average number of revenue passengers carried in passenger services, determined by dividing revenue passenger-miles by aircraft miles flown in revenue passenger services.

Load factor, over-all revenue—the percent that total revenue ton-miles (passenger plus nonpassenger) are of available ton-miles in revenue services.

Load factor, revenue passenger—the percent that revenue passenger-miles are of available seat-miles in revenue passenger services.

Load, minimum fuel—the minimum quantity of fuel with which an aircraft may be dispatched in accordance with the safety operating needs of the air carrier.

Load, salable—(See, *Load, available*.)

Mail, nonpriority—mail moving at service transportation rates lower than those established for mail bearing postage established specifically for air mail service.

Mail, priority—mail bearing postage at rates established specifically for air mail service or mail moving at service transportation rates equivalent to those established for air mail service.

Mile—a statute mile (5,280 feet).

Miles completed, percent scheduled aircraft—the percent of scheduled aircraft miles which were performed.

Miles completed, scheduled aircraft—the aircraft miles performed on scheduled flights computed between only those scheduled points actually served.

Miles flown, aircraft—the miles (computed in airport-to-airport distances) for each flight stage actually completed, whether or not performed in accordance with the scheduled pattern. For this

purpose, operation to a flag stop is a stage completed even though a landing is not actually made. In cases where the interairport distances are inapplicable, aircraft miles flown are determined by multiplying the normal cruising speed for the aircraft type by the airborne hours.

Miles flown, nonrevenue aircraft. The aircraft miles flown on nonrevenue flights, such as ferry (including empty backhauls to MAC one-way charters), personnel training, extension and development, and abortive revenue flights.

Miles, revenue aircraft—the aircraft miles flown in revenue service.

Miles, scheduled aircraft—the sum of the airport-to-airport distances of all flights scheduled to be performed over the air carrier's certificated routes pursuant to published flight schedules. Flights listed in the published schedules for operation only as extra sections, when traffic warrants, are excluded.

Modification—an alteration in a structure or unit of equipment that changes its design and is made to correct an error, increase production, improve efficiency of operation, or for some other reason.

Obsolescence—the process of becoming out of date due to progress of the arts and sciences, changes in economic conditions, legislation, etc., which ultimately results in the retirement or other disposition of property.

Off-Line—installations maintained or facilities used for other than scheduled certificated air services.

On-Line—installations maintained or facilities used in conducting scheduled certificated air services.

Operations. For purposes of reporting on Schedule T-1(a).

Domestic. Flight stages with both terminals within the 50 States of the United States and the District of Columbia.

Territorial. Flight stages with both terminals within territory under U.S. jurisdiction where at least one of the terminals is not within a State or the District of Columbia.

International. Flight stages with one or both terminals outside of territory under U.S. jurisdiction.

Operations, systems—the over-all operations of an air carrier including all of the operating entities of an air carrier having multiple operations.

Passenger-mile—one passenger transported 1 mile. Passenger-miles are computed by multiplying the aircraft miles flown on each flight stage by the number of passengers transported on that stage.

Passenger-mile, nonrevenue—one nonrevenue passenger transported one mile.

Passenger-mile, revenue—one revenue passenger transported one mile.

Passenger, nonrevenue—person receiving air transportation from the air carrier for which remuneration is not received by the air carrier. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered nonrevenue passengers. Infants for whom a token fare is charged are not counted as passengers.

Passenger, revenue—person receiving air transportation from the air carrier for which remuneration is received by the air carrier. Air carrier employees or others receiving air transportation against whom token service charges are levied are considered nonrevenue passengers. Infants for whom a token fare is charged are not counted as passengers.

Passengers transported—passengers on board each flight stage.

Premium (as applied to securities issued or assumed by the air carrier)—the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for dividends or interest accrued, over (2) their par or stated value.

Property (as applied to traffic)—(See *Cargo*.)

Replacement—substitution of new for existing facilities that are worn out, damaged beyond repair, or have become inadequate in service.

Residual value—the predetermined portion of the cost of a unit of property or equipment excluded from depreciation. It shall represent a fair and reasonable estimate of recoverable value as at the end of the service life over which the property or equipment is depreciated and shall give due consideration to the proceeds anticipated from disposition of the property or equipment and the extent to which costs attaching to property or equipment are otherwise recoverable through charges against income.

Retirement—the permanent withdrawal of assets from services of the corporate entity through sale, abandonment, demolition, or other disposal.

Retirement, date of—the date on which property or equipment is permanently withdrawn from services of the corporate entity.

Route, certificated—The route over which an air carrier is authorized to provide air transportation by a Certificate of Public Convenience and Necessity issued by the Civil Aeronautics Board pursuant to section 401(d)(1) or (2) of the Act.

Salvage value—the amount received for property retired, less the expenses incurred in connection with the sale or in the preparation of the property for sale; or, if retained, the amount at which the material recovered is charged to materials and supplies or other appropriate account.

Schedule, published—an official schedule of an air carrier on file with the Civil Aeronautics Board.

Seats available—installed seats in an aircraft (including seats in lounges) exclusive of any seats not offered for sale to the public by the carrier; provided that in no instance shall any seat sold be excluded from the count of available seats.

Seats, average available—the average number of seats available for passengers, determined by dividing available seat-miles by revenue aircraft miles flown in passenger service.

Seat-miles available, revenue—the aircraft miles flown on each flight stage

multiplied by the number of seats available for revenue use on that stage.

Segment, service—a pair of points served or scheduled to be served by a single stage of at least one flight within any given time period.

Service, charter—nonscheduled air transport service in which the party receiving transportation obtains exclusive use of an aircraft at published tariff rates and the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier.

Service, coach (tourist)—transport service specifically established for the carriage of passengers at special reduced passenger fares that are predicated on both the operation of specifically designated aircraft space and a reduction in the quality of service regularly and ordinarily provided.

Service, irregular (excluding charter and special)—nonscheduled inter-airport air transport services which do not constitute an integral part of scheduled services to certificated points, where each passenger or property shipment is individually documented at published tariff rates (other than charter rates) and the remuneration paid by each party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier.

Service, first class—transport service established for the carriage of passengers moving at either standard fares or premium fares, or at reduced fares not predicated upon the operation of specifically allocated aircraft space, and for whom standard or premium quality services are provided.

Service life—the period between the date of installation of property or equipment and its date of retirement.

Service, mixed—transport service for the carriage of both first-class and coach (tourist) passengers on the same aircraft.

Service, nonpassenger—transport service established for the carriage of traffic other than passengers.

Service, nonscheduled—includes transport service between points not covered by Certificates of Public Convenience and Necessity issued by the Civil Aeronautics Board to the air carrier; services pursuant to the charter or hiring of aircraft; other revenue services not constituting an integral part of the services performed pursuant to published schedules; and related nonrevenue flights.

Service, passenger-cargo—transport service established for the carriage of passengers which may also be used jointly for the transportation of cargo.

Service, scheduled—transport service operated over an air carrier's certificated routes pursuant to published flight schedules, including extra sections and related nonrevenue flights.

Service, special—nonscheduled air transport services in which the party receiving transportation obtains exclusive use of an aircraft at other than tariff rates and/or individually-ticketed services not involving inter-airport transport.

tation, whereby the remuneration paid by the party receiving the transportation accrues directly to, and the responsibility for providing the service is that of the accounting air carrier.

Service, transport—the operation of facilities for the carriage of traffic by air.

Service, tourist—(See *Service, coach*.)

Services, all—the total of scheduled and nonscheduled transport services.

Stop, flag—a point on an air carrier's certificated route that is scheduled to be served only when traffic is to be picked up or discharged.

Stop, fuel—a point on an air carrier's certificated route scheduled to refuel the aircraft but not to enplane or deplane traffic.

Stops, technical. Aircraft landings made for purposes other than enplaning or deplaning traffic. For purposes of identifying reporting entities, landings made for stopover passengers are regarded as technical stops.

Subsidiary company—a company in which the accounting air carrier holds in excess of 50 percent of the voting capital stock. A foreign subsidiary company is one organized or existing under the laws of a foreign country. Subsidiary companies shall also be regarded as associated companies for purposes of this system of accounts. (See also Associated company.)

Tariff, published—a publication containing rates applicable to the transportation of persons or cargo and rules relating to or affecting such rates or transportation, filed with the Civil Aeronautics Board.

Ton—a short ton (2,000 pounds).

Ton-mile—one ton transported 1 mile. Ton-miles are computed by multiplying the aircraft miles flown on each flight stage by the number of tons transported on that stage.

Ton-mile, nonrevenue—one ton of nonrevenue traffic transported one mile.

Ton-mile, passenger—one ton of passenger weight (including all baggage) transported 1 mile. (See also *Weight, passenger*.)

Ton-mile, revenue—one ton of revenue traffic transported one mile.

Ton-miles available, revenue—the aircraft miles flown on each flight stage multiplied by the ton capacity available for use on that stage.

Traffic, enplaned—a count of the number of passengers boarding and tons of cargo loaded on an aircraft. For this purpose, passengers and cargo on aircraft entering a carrier's system on interchange flights are considered as enplaning at the interchange point; and passengers and cargo moving from one operation to another operation of the same carrier, for which separate reports are required by the Civil Aeronautics Board, are considered as enplaning at the junction point.

Traffic, deplaned—a count of the number of passengers getting off and tons of cargo unloaded from an aircraft. For this purpose, passengers and cargo on aircraft leaving a carrier's system on interchange flights are considered as deplaning at the interchange point; and

passengers and cargo moving from one operation to another operation of the same carrier, for which separate reports are required by the Civil Aeronautics Board, are considered as deplaning at the junction point.

Traffic, nonrevenue—passengers and cargo transported by air for which remuneration is not received by the air carrier. Passengers (including air carrier employees) and cargo carried for token service charges are considered nonrevenue traffic.

Traffic office—a facility where air transportation is sold, and related processes of documentation and reservation confirmation are performed.

Traffic, revenue—passengers and cargo transported by air for which remuneration is received by the air carrier. Passengers (including air carrier employees) and cargo carried for token service charges are not considered revenue traffic.

Transportation, free—the carriage of any person or cargo (other than cargo owned by the air carrier) without compensation.

Unit basis (in depreciation accounting)—a plan under which depreciation expense is accrued upon the basis of the book cost of the individual item of property in relation to the service life and salvage value of the particular item.

Value, service—the difference between the book cost and the residual value of property and equipment.

Weight, allowable gross—the maximum gross weight (of the aircraft and its contents) which an aircraft is licensed to carry into the air on each flight stage.

Weight, average available—the average capacity available for revenue traffic, determined by dividing available ton-miles by aircraft miles in revenue service.

Weight, empty—the weight of the airframe, engines, propellers, and fixed equipment of an aircraft. Empty weight excludes the weight of the crew and payload, but includes the weight of all fixed ballast, unusable fuel supply, undrainable oil, total quantity of engine coolant, and total quantity of hydraulic fluid.

Weight, passenger. For the purposes of this manual, a standard weight of 200 pounds per passenger (including all baggage) is used for all civil operations and classes of service. Other weights may be prescribed in specific instances upon the initiative of the Board or upon factually supported request by an air carrier.

Section 04—Air Carrier Groupings and Standard Name Abbreviations

GROUP I ROUTE AIR CARRIERS

Name	Abbreviation
Aspen Airways, Inc.	Aspen.
Caribbean-Atlantic Airlines, Inc.	Caribair.
Chicago Helicopter Airways, Inc.	Chicago Helicopter.
Kodiak Airways, Inc.	Kodiak.
Los Angeles Airways, Inc.	LA Airways.
New York Airways, Inc.	NY Airways.
Reeve Aleutian Airways, Inc.	Reeve.
San Francisco & Oakland Helicopter Airlines, Inc.	SFO Helicopter.

GROUP I ROUTE AIR CARRIERS—Continued

Name	Abbreviation
Western Alaska Airlines, Inc.	Western Alaska.
Wien Consolidated Airlines, Inc.	Wien.

GROUP II ROUTE AIR CARRIERS

Airlift International, Inc.	Airlift.
Aloha Airlines, Inc.	Aloha.
Trans Caribbean Airways, Inc.	Trans Car.

GROUP III ROUTE AIR CARRIERS

Air West, Inc.	Air West.
Alaska Airlines, Inc.	Alaska.
Allegheny Airlines, Inc.	Allegheny.
American Airlines, Inc.	American.
Braniff Airways, Inc.	Braniff.
Continental Air Lines, Inc.	Continental.
Delta Air Lines, Inc.	Delta.
Eastern Air Lines, Inc.	Eastern.
The Flying Tiger Line Inc.	Flying Tiger.
Frontier Airlines, Inc.	Frontier.
Hawaiian Airlines, Inc.	Hawaiian.
Mohawk Airlines, Inc.	Mohawk.
National Airlines, Inc.	National.
North Central Airlines, Inc.	North Central.
Northeast Airlines, Inc.	Northeast.
Northwest Airlines, Inc.	Northwest.
Ozark Air Lines, Inc.	Ozark.
Pan American World Airways, Inc.	Pan American.
Piedmont Aviation, Inc.	Piedmont.
Seaboard World Airlines, Inc.	Seaboard.
Southern Airways, Inc.	Southern.
Texas International Airlines, Inc.	Texas.
Trans World Airlines, Inc.	Trans World.
United Air Lines, Inc.	United.
Western Air Lines, Inc.	Western.

GROUP I SUPPLEMENTAL AIR CARRIERS

Interstate Air Service, Inc.	Interstate.
Johnson Flying Service, Inc.	Johnson.
Purdue Airlines, Inc.	Purdue.
Standard Airways, Inc.	Standard.
Vance International Airways, Inc.	Vance.

GROUP II SUPPLEMENTAL AIR CARRIERS

American Flyers Airline Corp.	American Flyers.
Capitol International Airways, Inc.	Capitol.
Modern Air Transport, Inc.	Modern.
Overseas National Airways, Inc.	Overseas National.
Saturn Airways, Inc.	Saturn.
Southern Air Transport, Inc.	Southern Air Transp.
Trans International Airlines, Inc.	Trans International.
Universal Airlines, Inc.	Universal.
World Airways, Inc.	World.

GENERAL ACCOUNTING PROVISIONS

Section 1—Introduction to System of Accounts and Reports

Sec. 1-1 Applicability of system of accounts and reports.

Each route air carrier and each supplemental air carrier shall keep its books of account, records and memoranda and make reports to the Board in accordance with this system of accounts and reports. The Civil Aeronautics Board reserves the right, however, under the provisions of sections 407 and 416 of the Federal Aviation Act of 1958, as amended, to expand or otherwise modify the classes of car-

riers subject to this system of accounts and reports.

Sec. 1-2 Waivers from this system of accounts and reports.

A waiver from any provision of this system of accounts or reports may be made by the Civil Aeronautics Board upon its own initiative or upon the submission of written request therefor from any air carrier, or group of air carriers, provided that such a waiver is in the public interest and each request for waiver expressly demonstrates that: existing peculiarities or unusual circumstances warrant a departure from a prescribed procedure or technique; a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of operating results or financial condition, consistent with the principles embodied in the provisions of this system of accounts and reports; and the application of such alternative procedure will maintain or improve uniformity in substantive results as between air carriers.

Sec. 1-3 General description of system of accounts and reports.

(a) This system of accounts and reports is designed to permit limited contraction or expansion to reflect the varying needs and capacities of different air carriers without impairing basic accounting comparability as between air carriers. In its administration three air carrier groups, designated Group I, Group II, and Group III, respectively (see section 04), are established by the Civil Aeronautics Board. This grouping will be reviewed from time to time upon petition of individual air carriers or by initiative of the Civil Aeronautics Board with the view of a possible regrouping of the air carriers.

(b) Under the system of accounts prescribed, balance sheet elements are accounted for by all air carrier groups within a fixed uniform pattern of specific accounts. All profit and loss elements are accounted for within specific objective accounts established for each air carrier group resulting from dual classifications, designated for each air carrier group, which are descriptive of both basic areas of financial activity, or functional operation, and objective served. The profit and loss elements of the three air carrier groups can be reduced to broad objectives and general or functional classifications which are comparable for all air carrier groups. Both balance sheet and profit and loss accounts and account groupings are designed, in general, to embrace all activities, both air transport and other than air transport, in which the air carrier engages and provide for the separation of elements identifiable exclusively with other than air transport activities. Profit and loss elements which are recorded during the current accounting year are subclassified as between (1) those which relate to the current accounting year and adjustments of a recurrent nature applicable to prior

accounting years, and (2) extraordinary items of material magnitude.

(c) In order to afford air carriers as much flexibility and freedom as possible in establishing ledger and subsidiary accounts to meet their individual needs, a minimum number of account subdivisions have been prescribed in this Uniform System of Accounts. It is intended, however, that each air carrier, in maintaining its accounting records, will provide subaccount and subsidiary account segregations of accounting elements which differ in nature of accounting characteristics, in a manner which will render individual elements readily discernible and traceable throughout the accounting system, and will provide for relating profit and loss elements to applicable balance sheet counterparts.

Sec. 1-4 System of accounts coding.

(a) A four digit control number is assigned for each balance sheet and profit and loss account. Each balance sheet account is numbered sequentially, within blocks, designating basic balance sheet classifications. The first two digits of the four digit code assigned to each profit and loss account denote a detailed area of financial activity or functional operation. The first two digits, thus assigned to each profit and loss account, are numbered sequentially within blocks, designating more general classifications of financial activity and functional operation. The second two digits assigned to profit and loss accounts denote objective classifications.

(b) A fifth digit, appended as a decimal, has been assigned for internal control by the Civil Aeronautics Board of prescribed subdivisions of the primary objective balance sheet and profit and loss classifications. A different fifth digit code number from that assigned by the Civil Aeronautics Board may be adopted for internal record keeping by the air carrier provided the prescribed subclassification of objective accounts is not impaired and the code number assigned by the Civil Aeronautics Board is employed in reporting to the Board on Form 41 Reports.

Sec. 1-5 Records.

(a) The general books of account and all books, records, and memoranda which support in any way the entries therein shall be kept in such manner as to provide at any time full information relating to any account. The entries in each account shall be supported by such detailed information as will render certain the identification of all facts essential to a verification of the nature and character of each entry and its proper classification under the prescribed Uniform System of Accounts. Registers, or other appropriate records, shall be maintained of the history and nature of each note receivable and each note payable.

(b) The books and records referred to herein include not only accounting records in a limited technical sense, but all other records such as organization tables and charts, internal accounting manuals and revisions thereto, minute books, stock books, reports, cost distributions

and other accounting work sheets, correspondence, memoranda, etc., which may constitute necessary links in developing the history of, or facts regarding, any accounting or financial transaction.

(c) All books, records and memoranda shall be preserved and filed in such manner as to readily permit the audit and examination thereof by representatives of the Civil Aeronautics Board. All books, records and memoranda shall be housed or stored in such manner as to afford protection from loss, theft, or damage by fire, flood or otherwise and no such books and records shall be destroyed or otherwise disposed of, except in conformance with Part 249 of the Economic Regulations of the Civil Aeronautics Board for the preservation of records.

Sec. 1-6 Accounting entities.

(a) Separate accounting records shall be maintained for each air transport entity for which separate reports to the Civil Aeronautics Board are required to be made by sections 21(d) or 31(h), as applicable, and for each separate corporate or organizational division of the air carrier. For purposes of this Uniform System of Accounts and Reports each nontransport venture as delineated pursuant to paragraph (b) of this section undertaken by the air carrier whether or not formally organized within a distinct organizational unit shall be treated as a separately operated organizational division.

(b) As a general rule any activity or group of activities comprising a non-transport function provided for in incidental revenue accounts 10 through 18 shall be considered a separate nontransport venture under circumstances in which either: (1) A separate corporate or legal entity has been established to perform such services, (2) the aggregate annual revenue rate, as determined in section 2-1(d), during either of the past 2 years exceeds the greater of \$1 million per annum or 1 percent of the air carrier's total annual transport revenues, or (3) the aggregate annual expense rate, as determined in section 2-1(d), during either of the past 2 years exceeds the greater of \$1 million or 1 percent of the carrier's total annual operating expenses: *Provided*, That nontransportation revenue service performed in-flight, interchange sales and mutual aid assistance shall be considered as incidental to the air transportation activity and accounted for accordingly, regardless of the revenue or expense standard set forth above. Other nontransport revenue services which do not meet the foregoing standards shall be also considered as incidental to the air transportation and shall be accounted for accordingly.

(c) The records for each required accounting entity shall be maintained with sufficient particularity to permit a determination that the requirements of section 2-1 have been complied with.

Sec. 1-7 Interpretation of accounts.

To the end that uniform accounting may be maintained within the prescribed system, questions involving matters of

significance which are not clearly provided for should be submitted to the Director, Bureau of Accounts and Statistics, for explanation, interpretation, or resolution.

Sec. 1-8 Address for reports and correspondence.

Reports, statements, and correspondence submitted to the Civil Aeronautics Board in accordance with or relating to instructions and requirements contained herein shall be addressed to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, the organizational unit responsible for administering the accounting and reporting functions of the Civil Aeronautics Board.

Sec. 1-9 Conversion to this system of accounts and reports.

(a) The provisions of this system of accounts and reports shall be effective as of January 1, 1957. All balance sheet account balances shall be restated as at the beginning of business January 1, 1957 to conform with the provisions of this system of accounts except as provided in this section 1-9. All necessary adjustments to conform the accounts to the new system by reason of increase or decrease in reserves, or other necessary adjustments, shall be accumulated in an appropriate clearing account and the net transferred to profit and loss classification 9700 Special Items.

(b) Any adjustments of reserves for depreciation, obsolescence of flight equipment expendable parts, uncollectible accounts or other valuations of assets, shall be applied to current and subsequent accounting periods by spreading the depreciated cost of such assets over the remaining life of the parts and assemblies shall be divided between the portion applicable to flight asset to which applicable and shall not be applied retroactively.

(c) Any reserve accumulated for obsolescence of flight equipment spare equipment expendable parts and flight equipment rotatable parts and recorded in the applicable reserve accounts.

(d) Any provision of this system of accounts respecting reserves for depreciation, or other valuation of assets, shall be made applicable as at the effective date of this regulation to all assets then existing as well as to assets subsequently acquired against which the accrual of reserves would be appropriate.

(e) All statements and plans required to be submitted to the Civil Aeronautics Board by this system or accounts and reports shall be filed by January 1, 1957, or with the first report filed hereunder after an air carrier becomes subject to this part. (See section 22(d) or 32(d), as applicable.)

Section 2—General Accounting Policies

Sec. 2-1 Basis of allocation between entities.

(a) The provisions of this section shall apply to each person controlling an air carrier, each person controlled by the air carrier, as well as each transport entity

and organizational division of the air carrier for which separate records must be maintained pursuant to section 1-6.

(b) Each transaction shall be recorded and placed initially under accounting controls of the particular air transport entity or organizational division of the air carrier or member of an affiliated group to which directly traceable. If applicable to two or more accounting entities, a proration shall be made from the entity of original recording to other participating entities on such basis that the statements of financial condition and operating results of each entity are comparable to those of distinct legal entities. The allocations involved shall embrace all debits and credits associated with each entity and shall comply with the provisions of section 2-18, as applicable.

(c) For the purposes of this section, investments by the air carrier in resources or facilities used in common by the regulated air carrier activity and those nontransportation revenue services defined as separate nontransport ventures under section 1-6(b) shall not be allocated between such entities but shall be reflected in total in the appropriate accounts of the entity which predominantly uses the facility or resource. Where the entity of predominate use is a nontransport venture, the air carrier shall reflect the investment in account 1520 Advances to Nontransport Divisions.

(d) For purposes of this Uniform System of Accounts and Reports, all revenues shall be assigned to or apportioned between accounting entities on bases which will fully recognize the services provided by each entity, and expenses, or costs, shall be apportioned between accounting entities on such bases as will result: (1) With respect to "incidental" services, in the assignment thereto of proportionate direct overheads, as well as direct labor and materials, of the applicable expense functions prescribed by this system of accounts and reports, and (2) with respect to separate ventures, in the assignment thereto of proportional general and administrative overheads as well as the direct overheads, labor, and materials.

(e) In accordance with the provisions of sections 22(d) or 32(d), as applicable, each air carrier shall file a statement with the Civil Aeronautics Board which details the practices and techniques used in directly assigning and prorating revenues and expenses, or costs, in compliance with the provisions of this section.

Sec. 2-2 Distribution of revenues and expenses within entities.

(a) Revenues and expenses attributable to a single natural objective account or functional classification shall be assigned accordingly.

(b) Revenue and expense items which are common to two or more natural objective accounts shall be recorded in the objective accounts to which they predominantly relate.

(c) Expense items contributing to more than one function shall be charged to the general overhead functions to which applicable except that where only incidental contribution is made to more

than a single function an item may be included in the function to which primarily related, provided such function is not distorted by including an aggregation of amounts applicable to other functions. When assignment of expense items on the basis of the primary activity to which related does not in the aggregate result in a fair presentation of the expenses applicable to each function, apportionment shall be made between functions based upon a study of the contribution to each function during a representative period.

Sec. 2-3 Transactions in foreign currencies.

(a) All accounts provided herein shall be restated in terms of United States Currency.

(b) Amounts to be entered in the accounts of this system that originate in terms of foreign currencies, shall be initially recorded in United States Currency at the rates of exchange realizable at the date of the original transaction, except as provided in paragraph (g) of this section 2-3, unless free conversion is not permitted and governmentally controlled rates are prescribed, in which case the latter rates shall be used.

(c) Current assets and liabilities shall be restated in the accounts at the end of each quarterly accounting period at rates of exchange then realizable, except as provided in paragraph (g) of this section 2-3, unless free conversion is not permitted and governmentally controlled rates are prescribed in which case the latter rates shall be used.

(d) Noncurrent assets and liabilities shall be reflected in the accounts at the freely realizable, or governmentally prescribed, rates of exchange prevailing at the date of the original transaction and shall not be revalued to reflect subsequent changes in rates of exchange, except to reflect permanent changes in value resulting from general monetary revaluations.

(e) Unrealized gains or losses developing in the course of normal routine restatements of current assets and liabilities in conformance with day-to-day fluctuations in rates of exchange shall be entered in profit and loss classification 4600 Incidental Revenues—Net. Unrealized gains or losses of a nonroutine or an abnormal character shall be entered in profit and loss classification 8100 Nonoperating Income and Expense—Net.

(f) Realized gains or losses resulting from normal routine differences between the rates at which assets and liabilities are stated in the accounts and the rates of exchange existing at the date of realization, liquidation, or settlement, shall be entered in profit and loss classification 4600 Incidental Revenues—Net. Unrealized gains or losses of a nonroutine or an abnormal character shall be entered in profit and loss classification 8100 Nonoperating Income and Expense—Net.

(g) Standard rates of exchange which are reasonably representative of currently realizable rates of exchange, or governmentally controlled rates where free conversion is not permitted, may

be used for originally recording each transaction and for quarterly restatements of current assets and current liabilities provided such standards are re-determined at least once each accounting year or oftener as may be necessary to reasonably approximate currently realizable or officially prescribed rates of exchange at the close of each calendar quarter.

(h) Provisions shall not be made by charges against income for reserves against anticipated changes in exchange rates during future accounting periods.

Sec. 2-4 Accounting period.

(a) The accounting year of each air carrier subject to this Uniform System of Accounts shall be the calendar year unless otherwise approved by the Civil Aeronautics Board.

(b) Each air carrier shall keep its financial accounts and records on a full accrual basis for each quarter so that all transactions, as nearly as may reasonably be ascertained, shall be fully reflected in the air carrier's books for the quarter in which revenues have been earned and the costs attaching to the revenues so earned in each quarter have been incurred independently of the incidence of sales or purchases and settlement with debtors or creditors.

(c) Expenditures incurred during the current accounting year which demonstrably benefit operations to be performed during subsequent accounting years to a significant extent shall be deferred and amortized to the period in which the related operations are performed when of sufficient magnitude to distort the accounting results of the year in which incurred.

(d) Expenditures charged directly or amortized to operations within one accounting year shall not be reversed in a subsequent accounting year and re-amortized or charged directly against operations of subsequent years except that retroactive adjustments are permitted where necessary to conform with adjustments required by the Civil Aeronautics Board for rate making purposes provided a statement explaining the detailed adjustments is submitted for review by the Civil Aeronautics Board. (See section 22(d) or 32(d), as applicable.)

Sec. 2-5 Liability accruals.

Charges shall be made against income and accruals made for only those liabilities for which a definitely demonstrable obligation exists. Where a definite obligation has been incurred, such as for accrued vacation or dismissal compensation and the precise liability has not been determined, an estimate may be made of the currently existing liability on such actuarial or other bases as can be justified from available information, provided that balances are re-evaluated and adjusted at least once each accounting year to accurately reflect the true detriment (or cost) to the air carrier.

Sec. 2-6 Federal income tax accruals.

(a) All income taxes shall be accrued by proportionate charges or credits to

income each calendar quarter in such manner as will allocate the charges for taxes, or the tax credits for losses, to the periods in which the related profits or losses respectively, are reflected. (See section 8(d) (4).)

(b) The general policy in respect to the accrual of income taxes for each accounting period will require that the air carrier take up in its accounts an amount equivalent to the actual tax liability applicable to the period as computed or estimated on the basis of income tax laws and regulations then in effect. As a general rule the accrual of income taxes on differences between income recognized for book purposes and tax purposes is prohibited. However, Federal income taxes may be deferred for material income differences associated with airworthiness reserve or self-insurance reserve provisions, depreciation allowances under provisions of section 167 and 168 of the Internal Revenue Code, and different treatments for book and tax purposes of preoperating, aircraft integration, route extension or other developmental expenses. In the event a carrier elects to follow deferred tax accounting for one or more of the foregoing income differences, it shall do so for all of such income differences, on a consistent basis both within each accounting year and as between accounting years. In effecting the accruals, records with respect to reserves for deferred taxes on income shall be maintained in accordance with the provisions of balance sheet account 2340 Deferred Federal Income Taxes.

(c) Investment tax credits shall be accounted for in accordance with the provisions of balance sheet account 2131 Accrued Federal Income Taxes.

Sec. 2-7 Delayed items.

(a) All items affecting net income, including revenue and expense adjustments, shall be recorded in the appropriate profit and loss accounts shown on the income statement, and shall not be entered directly to retained earnings.

(b) Items applicable to operations occurring prior to the current accounting year shall be included in the same accounts which would have been charged or credited if the items had not been delayed: *Provided*, That any item of extraordinary nature which is so large in amount that inclusion in the accounts for a single year would materially distort the total operating expenses or total operating revenues, as applicable, shall be included in Profit and Loss classification 9700 Special Items. Ordinary adjustments of a recurring nature shall not be considered extraordinary and shall be included in the accounts to which ordinarily applicable. For purposes of this regulation, debits or credits included in classification 9700 Special Items shall be limited to items which (1) have no particular time incidence; (2) represent revenue or expense elements being retroactively introduced into the basis used for income computation; (3) represent revenue or expense elements being retroactively eliminated from the basis used for

income computation; or (4) are retroactive adjustments of Federal subsidy due to revisions of subsidy mail rates of prior periods. Examples of extraordinary items to be included in this classification, when of sufficient materiality, are: Catastrophic losses which are not a recurrent business hazard, such as from floods; the retroactive establishment or elimination of previously established reserves; and extraordinary write-offs of intangible assets which through unusual circumstances have become worthless, and adjustments resulting from refunding or premature retirement of debt. As a standard practice, an extraordinary item to be classified as special must exceed one-half of one percent of the twelve-months-to-date total operating revenues or total operating expenses depending on the nature of the item. When an item (or items) recorded in the objective accounts of a given function and relating to a single transaction does not exceed this amount but does exceed one percent of the total functional classification of which it is a part, it shall be included in the account to which ordinarily applicable and footnoted on Form 41.

(c) Items applicable to operations occurring in prior quarters of the current accounting year shall be included in the same accounts that would have been charged or credited if the items had not been delayed: *Provided*, That, when the total amount of an adjustment recorded in one or more of the regular objective accounts of a given function relating to a single transaction exceeds one percent of the twelve-months-to-date total in the applicable functional account, it shall be identified in amount and nature by quarters to which applicable, as a footnote to the CAB Form 41 income statement for the quarter in which included.

Sec. 2-8 Unaudited items.

If a transaction has occurred but the amount involved is not precisely determinable, the amount shall be estimated, included in the proper accounts and where significant noted for financial statement purposes. The carrier is not required to anticipate or disclose minor items which would not appreciably affect the results of its operations or financial position.

Sec. 2-9 Improvements, additions and betterments.

(a) As a general rule, expenditures for additions, betterments or improvements, which increase the productive capacity of units of land, property or equipment, shall be capitalized rather than charged directly against income of the period in which incurred. Expenditures of insignificant amount related to individual projects may be expensed as incurred, rather than capitalized, provided their inclusion as individual items or when aggregated for like items encompassed by a particular program, will not distort current operating results.

(b) The costs to be capitalized shall include all costs directly incurred by reason of the program together with an

allocated portion of overhead costs to the full extent overhead expenses have been responsive to the volume of capitalizable projects currently or periodically in process.

(c) When superior parts are substituted for old parts in existing units of property and equipment as an incident to normal maintenance operations where normal retirement procedures are not practicable, the excess cost of the new parts over the estimated current cost of new parts of the kind replaced shall be charged to the related property and equipment account.

Sec. 2-10 Capitalization of interest.

(a) Interest may be capitalized on funds actually committed as equipment purchase deposits or actually used to finance the construction or acquisition of operating property from the date the funds are first so employed to the date the property is ready for use: *Provided*, That the capitalization will be limited in both time and amount to the reasonable requirements for such funds and that it may include interest on funds set aside and carried in balance sheet account 1550 Special Funds—Other for a period not to exceed 6 months in advance of the date they are scheduled under a legally binding contract to be committed for payment to the manufacturer or contractor.

(b) Interest may be capitalized on funds actually employed in developmental and preoperating projects other than property acquisition and construction up to the date the related operations are initiated.

(c) In determining the amount of interest to be capitalized under the provisions of paragraphs (a) and (b) of this section 2-10, the effective interest rate shall be representative of the current rate for long-term debt of the carrier. Imputed interest at the same rate may be capitalized on equity funds whenever commitments under paragraph (a) or (b) of this section 2-10 exceed the balance of long-term debt. The amount of interest so computed shall be reduced by any interest or other earnings from such funds on deposit with or for the account of the manufacturer or contractor. With respect to funds set aside pending actual commitment, the earnings shall be computed on the basis of the average rate earned on the carrier's current or long-term investment of special funds in interest-bearing securities but not to exceed the total amount of such interest actually earned.

(d) Interest capitalized under paragraph (a) or (b) of this section 2-10 shall be charged to the balance sheet account in which the funds are carried (1550, 1689, or 1830) and credited to profit and loss subaccount 87.2 Interest Capitalized—Credit or, if imputed interest, to profit and loss subaccount 80.1 Imputed Interest Capitalized—Credit. Interest capitalized under paragraph (a) of this section shall be recorded in such a manner as to facilitate audit and, upon completion of the project, shall be trans-

ferred to subaccounts of the appropriate property balance sheet accounts as a cost of the related asset. When imputed interest is capitalized, a concurrent entry shall be recorded debiting profit and loss subaccount 80.2 Imputed Interest Deferred—Debit and crediting balance sheet account 2390 Other Deferred Credits which shall be cleared to profit and loss subaccount 80.3 Imputed Interest Deferred—Credit periodically as the amount of such interest in the asset accounts is written off.

(e) The capitalization of interest will be permitted only to the extent it is reflected in the accounts on a current basis. Furthermore, in the event that a construction project is not completed or a developmental project is not brought to fruition, any related capitalized interest shall be eliminated from the accounts by reversal of the capitalizing entries.

Sec. 2-11 Accounting for transactions in gross amounts.

(a) All assets and liabilities shall be stated in balance sheet presentations in gross values, provided that all depreciation, provisions for uncollectible accounts and other valuation reserves shall be offset against the class of asset to which related. Amounts receivable from, and amounts payable to, associated companies and other air carriers, which are normally settled on a current basis shall be stated in gross amounts receivable and gross amounts payable. Amounts receivable from, and amounts payable to, individual associated companies which are not settled on a current basis, and are not includible in current assets or current liabilities, shall be stated in net amounts receivable or payable. Receivables from particular associated companies shall not be offset against payables to other associated companies.

(b) The cost of Treasury Certificates or other tax notes, which are to be surrendered to the United States Treasury, rather than independently sold, in satisfying Federal income tax liabilities may be offset against accrued Federal income tax liabilities provided both the gross income tax liability and the value of the tax notes are reflected on the face of the balance sheet. The offset of other government securities or other assets against Federal income tax liabilities is prohibited.

Sec. 2-12 Acquisition and valuation of assets.

(a) As a general rule, all assets shall be recorded at cost to the air carrier and shall not be adjusted to reflect changes in market value. Exceptions to this rule shall be limited to the following items:

(1) Investments in subsidiary companies (as that term is defined in section 03) shall be recorded at cost (except as provided in section 5-2(c)) plus the equity in the undistributed earnings or losses of such companies since acquisition. (Investments in associated or other companies in which the air carrier holds 50 percent or less of the voting

capital stock shall be recorded at cost, except as provided in section 5-2(c).)

(2) Spare parts and materials of a class for which the accrual of reserves for loss in value may not be feasible, which have been expensed from current inventories and are recovered, may be returned to inventory at estimated value with contra credit to the expense accounts initially charged. The cost (as defined in section 03, "Cost") to be recorded shall represent the cash price of the asset acquired unless otherwise specifically provided in paragraphs (b) and (c) of this section. When the consideration given for property is other than cash, the value of such consideration shall be determined on a cash basis, in accordance with the following provisions.

(b) Costs of assets charged against income by an air carrier shall not be reinstated through property exchanges, and again charged against income by another air carrier but shall be recorded by each successive user at the unrecovered cost of property given in exchange, adjusted by the amount of any additional cash or other consideration given or received. For purposes of this system of accounts, an exchange is defined as a transaction in which tangible property represents more than 75 percent of the fair market value of the total consideration. Capital gains or losses, as a matter of policy, will not be recognized in property exchanges. (See also section 5-3(e)(8).)

(c) The cost of properties obtained under a conditional sales contract shall be recorded as assets as at the date upon which delivery has been completed even though legal title remains in the vendor unless there is material uncertainty as to the complete consummation of the transaction.

Sec. 2-13 Establishment of reserves.

(a) Provisions for reserves covering transactions or conditions which do not diminish assets or result in demonstrable liability to the air carrier, with corresponding diminution in stockholder equity during the period over which accrued, shall not be charged against income but shall be charged directly against balance sheet account 2940 Unappropriated Retained Earnings.

(b) All reserves shall be classified in balance sheet presentations in terms of their inherent impact upon the air carrier's financial condition as either valuation of assets (offsetting the assets to which related), accrued liabilities, or appropriations of retained earnings.

(c) Provisions for self-insurance against damage to property, or other risks, may be charged against income as recurring operating expense, and credited to balance sheet account 2350 Reserve for Self-Insurance, in accordance with a plan which reflects actuarial or other reasonable measurement of risk: *Provided*, The air carrier demonstrates that the accrual rate is reasonable in terms of resulting cost level and will not, in any accounting period, inflate the operating costs above those which would

result from equivalent coverage through purchased insurance. Such provisions shall be made in accordance with the instructions for balance sheet account 2350 Reserve for Self-Insurance. No provision shall be made through income charges for a retroactive initiation or adjustment of self-insurance reserves. Such reserves shall be accumulated on a forward basis only. However, the air carrier may effect an interim segregation of retained earnings through balance sheet account 2930 Appropriations of Retained Earnings. The balance of such segregation of retained earnings is to be returned to unappropriated retained earnings upon attainment of the planned level of the self-insurance reserve, accumulated through income charges. Where risks to be borne by the air carrier are reduced or eliminated, due to substitution of purchased insurance, or otherwise, the self-insurance reserve requirements shall be redetermined. Excesses in existing reserves, of material amount, over those required to cover current risks borne by the air carrier shall be accounted for as provided in balance sheet account 2350 Reserve for Self-Insurance. Material effects upon income taxes resulting from differences as between income recognized for tax and book purposes, associated with provisions for self-insurance, shall be accounted for in accordance with the instructions for balance sheet account 2340 Deferred Federal Income Taxes. Each air carrier shall file with the Civil Aeronautics Board a statement of accounting procedures when a policy with respect to self-insurance is established. This statement shall set forth: (1) The amount of self-borne and purchased coverage, respectively, for each type of risk involving self-insurance; (2) the rates of accrual to the self-insurance reserves; (3) such other detail as may be pertinent to the plan; and (4) information necessary to establish the reasonableness of the plan in conformance with the standards prescribed by this system of accounts and reports. The rates and practices set forth in such statements shall thenceforth be used by the air carrier unless notified by the Civil Aeronautics Board, in accordance with section 22(d) or 32(d) as applicable, that they do not meet the requirements set forth in this section.

(d) Additional reserves over those prescribed in this system of accounts may be established for the purpose of equalizing or distributing expense charges between calendar quarters of each accounting year in accordance with operations performed, in the event such expenditures are part of a specific program to which the air carrier is demonstrably committed and are of sufficient magnitude to significantly distort the financial results of the current quarter if expensed directly. Each air carrier shall submit, for approval by the Civil Aeronautics Board, a plan for each such equalization reserve which shall set forth the proposed accounting and rates of accrual. Such plans shall provide for the

liquidation of each expense equalization reserve at the close of each accounting year. Equalization reserves shall not be used in respect to expenditures, the distortionary fluctuations of which spread over a cycle of longer than one year. (See section 22(d) or 32(d), as applicable.)

Sec. 2-14 Depreciation and amortization.

(a) Depreciation shall be calculated by the air carrier in such manner as will prevent the charging of either excessive or inadequate expense or the accumulation of excessive or inadequate reserves, and shall be based upon a study of the air carrier's history and experience or such engineering or other information as may be available with respect to prospective future conditions and without regard to depreciation accounting practices adopted for tax purposes. Undepreciable residual values shall be established for each class of property and equipment and shall represent the fair and reasonable estimate of the recoverable value as of the end of the service life over which the property is depreciated. Depreciation chargeable against operations shall be limited to the actual costs incurred in the acquisition of the properties to which related. The cost of properties which are generally repaired and reused shall not upon retirement be charged against current operating expenses but, to the extent not written off in the form of depreciation, shall be treated as part of the capital gain or loss. The cost of properties of a type which are recurrently expended and replaced shall be charged to operating expenses as issued for use. However, the net charge to operating expense for any asset used, consumed or abandoned shall be limited to the difference between the cost incurred in acquisition and any related accrued depreciation.

(b) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement which shall clearly and completely describe for each classification of property and equipment the methods, service lives, and residual values used for computing depreciation on the different subcategories of property or equipment included therein. This statement shall be sufficiently descriptive to permit a pro forma construction of the depreciation calculation of each accounting period and shall include identification of those categories depreciated on a unit basis and those categories depreciated on a group basis, as well as the mathematical bases employed for allocating applicable costs to the different accounting periods.

Sec. 2-15 Contingent assets and contingent liabilities.

Contingent assets and contingent liabilities, except as permitted by account 2930 Appropriations of Retained Earnings, shall not be included in the body of the balance sheet but shall be explained in footnotes.

Sec. 2-16 Notes to financial statements.

All matters which are not clearly identified in the body of the financial statements but which may influence materially interpretations or conclusions which may reasonably be drawn in regard to financial condition or earnings position shall be clearly and completely stated as footnotes to the financial statements.

Sec. 2-17 Revenue accounting practices.

(a) Revenue accounting practices shall conform to the provisions of account 2160 Unearned Transportation Revenue.

(b) Physical verification of the reliability of passenger revenue accounting practices shall be made at least once each accounting year, and an analysis showing the results of such verification shall be submitted to the Board within 30 days following its completion. The analysis supporting the verification shall include:

- (1) The cutoff date for the liability to be verified;
- (2) The number of months after the cutoff date during which documents were examined to verify the liability;
- (3) The nature of the documents which were examined for purposes of the verification;
- (4) The totals for each of the various types of documents examined, on actual or sampling basis;
- (5) A description of the sampling technique and conversion to totals, if sampling was employed;
- (6) The amount and basis for all estimates employed in the verification; and
- (7) The amount of resulting adjustments and the quarter in which such adjustments were, or are to be, made in the accounts.

(c) The amount of any adjustment shall be reported on schedule B-2 or B-2.1, as applicable, in the quarter booked in accordance with the instructions for these schedules contained in sections 23 and 33.

Sec. 2-18 Transactions between members of an affiliated group.

(a) Unless otherwise approved by the Board's Director, Bureau of Accounts and Statistics, transactions between the regulated activity of an air carrier and activities conducted by nontransport divisions or other corporate members of an affiliated group shall be recorded by the air carrier as provided in paragraphs (b) through (e) of this section 2-18.

(b) Charges for services and assets purchased by or transferred to a regulated activity of an air carrier from other activities of an affiliated group shall be recorded initially in the accounts of the regulated air carrier activity at their invoice price, if determinative from a prevailing price list held out to the general public in the normal course of business. Where the services and assets received by the regulated activity of the air carrier are not marketed by the affiliated supplier to the general public under a prevailing price list, the charges recorded by the air carrier activity for

such services and assets shall be the lower of their cost to the originating activity of the affiliated group, less all applicable valuation reserves, or their estimated fair market value. In the case of charges against income for services received, as distinguished from charges for property and equipment or other assets acquired, any difference in the amount recorded and the consideration given by the air carrier shall be entered in subaccount 88.1 Intercompany Transaction Adjustment—Credit or in subaccount 89.1 Intercompany Transaction Adjustment—Debit. In the case of property and other assets acquired, any difference between the amount recorded and the consideration given by the air carrier shall be entered in appropriate subaccounts of account 1870 Property Acquisition Adjustment, paralleling subaccount 88.1 Intercompany Transaction Adjustment—Credit and subaccount 89.1 Intercompany Transaction Adjustment—Debit, and shall be cleared to such income accounts through periodic amortization at rates coinciding with those applied to other associated assets.

(c) The cost, less all associated valuation reserve accumulations, of services and assets sold by or transferred from the regulated activity of an air carrier to other activities of an affiliated group shall be charged by the air carrier to either applicable incidental services or capital gain income accounts, as appropriate. Where such services and assets are reflected in tariffs filed with the Board or in price lists held out to the general public, the associated revenues shall be recorded at the rates, fares or charges contained therein in the appropriate incidental services, capital gains or air transport income accounts. Where no tariff or prevailing price list is applicable, the associated revenue shall be recorded at the higher of cost or estimated fair market value of the asset or service involved. Any difference between the revenue so recorded and the agreed consideration to the air carrier shall be recorded in subaccount 88.1 Intercompany Transaction Adjustment—Credit or subaccount 89.1 Intercompany Transaction Adjustment—Debit.

(d) Income taxes shall be allocated among the transport entities of the air carrier, its nontransport divisions, and members of an affiliated group. Under circumstances in which income taxes are determined on a consolidated basis by an air carrier and other members of an affiliated group, the income tax expense to be recorded by the air carrier shall be the same as would result if determined for the air carrier separately for all time periods, except that the tax effect of carryback and carry-forward operating losses, investment tax credits, or other tax credits generated by operations of the air carrier shall be recorded

by the air carrier during the period in which applied in settlement of the taxes otherwise attributable to any member, or combination of members, of the affiliated group. Any difference between the income tax so recorded and the amount at which settlement is to be made shall be recorded in subaccount 88.1 Inter-

company Transaction Adjustment—Credit or in subaccount 89.1 Intercompany Transaction Adjustment—Debit, as is appropriate.

(e) The principles set forth in this section 2-18 shall apply equally to corporations, proprietorships, partnerships, or other forms of business organizations.

BALANCE SHEET CLASSIFICATIONS

Section 3—Chart of Balance Sheet Accounts

Name of account	General classification	
Current assets:		
Cash	1010	
Special deposits	1030	
United States Government securities	1110	
Other temporary cash investments	1120	
Accounts receivable—U.S. Government	1220	
Accounts receivable—foreign governments	1230	
Accounts receivable—general traffic	1240	
Notes and accounts receivable—associated companies	1250	
Notes and accounts receivable—company personnel	1260	
Notes and accounts receivable—other	1280	
Reserve for uncollectible accounts	1290	
Flight equipment expendable parts	1310	
Obsolescence and deterioration reserves—expendable parts	1311	
Miscellaneous materials and supplies	1330	
Short-term prepayments	1410	
Other current assets	1420	
Investments and special funds:		
Investments in associated companies	1510	
Investments in subsidiary companies	1510.1	
Investments in other associated companies	1510.2	
Advances to nontransport divisions	1520	
Other investments and receivables	1530	
Special funds—self-insurance	1540	
Special funds—other	1550	
Property and equipment	1600-1700	
	Operating	Nonoperating
Airframes	1601	1701
Aircraft engines	1602	1702
Aircraft propellers	1603	1703
Aircraft communications and navigational equipment	1604	1704
Miscellaneous flight equipment	1606	1706
Improvements to leased flight equipment	1607	1707
Flight equipment rotatable parts and assemblies	1608	1708
Airframe parts and assemblies	1608.1	1708.1
Aircraft engine parts and assemblies	1608.5	1708.5
Other parts and assemblies	1608.9	1708.9
Flight equipment	1609	1709
Reserve for depreciation—airframes	1611	1711
Reserve for depreciation—aircraft engines	1612	1712
Reserve for depreciation—aircraft propellers	1613	1713
Reserve for depreciation—aircraft communication and navigational equipment	1614	1714
Reserve for depreciation—miscellaneous flight equipment	1616	1716
Reserve for depreciation—improvements to leased flight equipment	1617	1717
Reserve for depreciation—flight equipment rotatable parts and assemblies	1618	1718
Airframe parts and assemblies	1618.1	1718.1
Aircraft engine parts and assemblies	1618.5	1718.5
Other parts and assemblies	1618.9	1718.9
Reserve for depreciation—flight equipment	1619	1719
Flight equipment airworthiness reserves	1629	1729
Passenger service equipment	1630	1730
Hotel, restaurant and food service equipment	1631	1731
Ramp equipment	1632	1732
Communication and meteorological equipment	1633	1733
Maintenance and engineering equipment	1634	1734
Surface transport vehicles and equipment	1635	1735
Furniture, fixtures and office equipment	1636	1736
Storage and distribution equipment	1637	1737
Miscellaneous ground equipment	1638	1738
Buildings and other improvements	1640	1740
Maintenance buildings and improvements	1640.1	1740.1
Other buildings and improvements	1640.9	1740.9
Ground property and equipment	1649	1749
Reserve for depreciation—passenger service equipment	1650	1750
Reserve for depreciation—hotel, restaurant and food service equipment	1651	1751
Reserve for depreciation—ramp equipment	1652	1752
Reserve for depreciation—communication and meteorological equipment	1653	1753
Reserve for depreciation—maintenance and engineering equipment	1654	1754
Reserve for depreciation—surface transport vehicles and equipment	1655	1755
Reserve for depreciation—furniture, fixtures and office equipment	1656	1756
Reserve for depreciation—storage and distribution equipment	1657	1757
Reserve for depreciation—miscellaneous ground equipment	1658	1758

See footnotes at end of tables.

BALANCE SHEET CLASSIFICATIONS—Continued
Section 3—Chart of Balance Sheet Accounts—Continued

Name of account	Operating	Nonoperating
Property and equipment—Continued		
Reserve for depreciation—buildings and other improvements.....	1660	1760
Maintenance buildings and improvements.....	1660.1	1760.1
Other buildings and improvements.....	1660.9	1760.9
Reserves for depreciation—ground property and equipment.....	1669	1769
Land.....	1679	1779
Construction work in progress.....	1689	1789
	General classification	
Deferred charges:		
Long-term prepayments.....	1820	
Developmental and preoperating costs.....	1830	
Unamortized discount and expense on debt.....	1840	
Unamortized capital stock expense.....	1850	
Property acquisition adjustment.....	1870	
Other intangibles.....	1880	
Other deferred charges.....	1890	
Current liabilities:		
Current notes payable.....	2010	
Accounts payable—general.....	2020	
Collections as agent—traffic.....	2030	
Collections as agent—other.....	2040	
Notes and accounts payable—associated companies.....	2050	
Accrued personnel compensation.....	2110	
Accrued vacation liability.....	2120	
Accrued Federal income taxes.....	2131	
Other accrued taxes.....	2139	
Dividends declared.....	2140	
Air travel plan liability.....	2150	
Unearned transportation revenue.....	2160	
Other current liabilities.....	2190	
Noncurrent liabilities:		
Long-term debt.....	2210	
Advances from associated companies.....	2240	
Advances from nontransport divisions.....	2245	
Pension liability.....	2250	
Company stock purchase plan liability.....	2260	
Other noncurrent liabilities.....	2290	
Deferred credits:		
Unamortized premium on debt.....	2330	
Deferred Federal income taxes.....	2340	
Deferred investment tax credits.....	2345	
Reserve for self-insurance.....	2350	
Other deferred credits.....	2390	
Stockholder equity:		
Preferred stock.....	2820	
Common stock.....	2840	
Capital stock subscribed and unissued.....	2860	
Other paid-in capital.....	2890	
Premium on capital stock.....	2890.1	
Discount on capital stock.....	2890.2	
Other capital stock transactions.....	2890.3	
Miscellaneous paid-in capital.....	2890.9	
Appropriations of retained earnings.....	2930	
Unappropriated retained earnings.....	2940	
Treasury stock.....	2990	

securities, securities which are not readily marketable, funds set aside for specific purposes or involving restrictions preventing current use, contract performance deposits and other securities, receivables, or funds not available for current operations. Investments in United States Government securities shall be included in the current assets account group.

(b) Investments in associated companies in which the carrier owns 50 percent or less of the voting capital stock and investments in other than associated companies shall be recorded at cost, except as provided in paragraph (c) of this section. Investments in subsidiary companies (as that term is defined in section 03) shall be recorded at cost (except as provided in paragraph (c) plus the equity in undistributed earnings or losses since acquisition.

(c) Permanent impairment in the value of securities may be reflected through charges to profit and loss classification 8100 Nonoperating Income and Expense—Net.

Sec. 5-3 Property and equipment.

(a) All investments of the air carrier in land and units of tangible property and equipment shall be included within this general classification.

(b) The cost of properties covered by conditional sales contracts shall be recorded in the appropriate property and equipment accounts of the buyer, and removed from the property and equipment accounts of the seller, as at the date on which possession is delivered to the buyer unless there is material uncertainty as to the complete consummation of the transaction.

(c) Property obtained under an agreement for lease or lease with option to purchase, not constituting a conditional sale, shall not be recorded on the books of the lessee until actual purchase, at which time the price at actual date of purchase plus leasehold improvements shall be recorded in the appropriate property and equipment accounts.

(d) The general classification "Property and Equipment" shall be subdivided as between "Operating Property and Equipment" and "Nonoperating Property and Equipment." "Operating Property and Equipment" shall encompass items used in air transportation services and services incidental thereto. "Nonoperating Property and Equipment" shall encompass investments in property and equipment not separately accounted for within a nontransport division but assigned to other than air transportation and its incidental services, and property and equipment held for future use.

(e) Operating and nonoperating property and equipment shall be accounted for separately in accordance with the following instructions:

(1) Investment in property and equipment shall be recorded at total cost including all expenditures applicable to acquisition, other costs of a preliminary nature, costs incident to placing in position and conditioning for operations and costs of additions, betterments, improvements and modifications.

(2) The cost of additions, betterments, improvements and modifications shall

¹ Prescribed for Group II and Group III air carriers only.

² At the option of the air carrier these accounts may be assigned numbers 2620 and 2720, respectively, for accounting purposes.

NOTE: Digits to right of decimals and italicized codes established for CAB control purposes only.

Section 4—General

(a) The balance sheet accounts are designed to show the financial condition of the air carrier as at a given date, reflecting the asset and liability balances carried forward subsequent to the closing or constructive closing of the air carrier's books of account.

(b) The balance sheet accounts prescribed in this system of accounts for each air carrier group are set forth in Section 3, Chart of Balance Sheet Accounts. The balance sheet elements to be included in each account are presented in section 6 and the balance sheet groupings to be accorded each account are set forth in section 5.

Section 5—Balance Sheet Account Groupings

Sec. 5-1 Current assets.

(a) Include in this classification all resources which may reasonably be expected to be realized in cash or sold or consumed within one year, such as unrestricted cash, those assets that are

readily convertible into cash or are held for current use in operations, and current claims against others to the extent settlement is reasonably assured, except that securities of others classified in investment and special fund accounts at date of acquisition need not be reclassified until disposition thereof.

(b) Perpetual inventories of all materials, supplies, lubricating oils, motor fuels and flight equipment expendable parts shall be maintained and shall be physically verified at least annually. Any shortage, overage, shrinkage, etc., shall be adjusted by charges or credits to the appropriate expense account.

(c) Items of general current asset characteristics which are not expected to be realized or consumed within one year may be included in this classification provided the noncurrent portion is not substantial in amount and classification as a current item will not impair the significance of working capital.

Sec. 5-2 Investments and special funds.

(a) Include in this classification long-term investments in securities of others exclusive of United States Government

be charged to the balance sheet account in which the property or equipment to which related is carried. (See section 2-9 for applicable accounting policy.) The cost of parts and appurtenances removed, and the reserve for depreciation applicable thereto, shall be treated as for retired property and accounted for accordingly.

(3) If different classes of property and equipment chargeable to more than one property account are purchased for a single sum and the cost of each class cannot be definitely ascertained, apportionment shall be based upon the most accurate information available. If necessary, appraisals shall be made to establish the relative costs.

(4) If property and equipment is acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the Civil Aeronautics Board, the costs and related depreciation reserves as carried on the books of the predecessor company at the date of transfer shall be entered by the acquiring air carrier in the appropriate accounts prescribed for recording investments in tangible assets. Any difference between the purchase price of the property and equipment acquired and its depreciated cost at date of acquisition shall be recorded in balance sheet account 1870 Property Acquisition Adjustment. Property acquired from an associated company shall also be accounted for in accordance with this paragraph unless otherwise approved by the Board.

(5) Upon disposal by sale, retirement, abandonment, dismantling, or otherwise, of equipment depreciated on a unit basis, the air carrier shall credit the accounts in which the costs related to the property or equipment are carried with the balances thereof; charge the related depreciation reserves with the balances applicable to the property disposed of; and charge the cash proceeds of the sale or the value of salvaged material to the appropriate asset accounts. Where the sales price or salvage value less the cost of dismantling differs from the costs related to the property less accrued depreciation reserves, such difference shall be recorded in the appropriate capital gain or loss accounts.

(6) Upon disposal by sale, retirement, abandonment, dismantling, or otherwise of property or equipment depreciated on a group basis, the air carrier shall credit the account in which the property or equipment is carried, and charge the related depreciation reserve with the original cost thereof, less any salvage realized, regardless of the age of the item. No gain or loss is recognized on the retirement of individual items of property or equipment depreciated on a group basis. However, the proceeds from sales of scrapped parts and assemblies, which are accumulated and sold in lots for nominal amounts and without identification of the individual items, shall be credited to profit and loss account 18 Other Incidental Revenues.

(7) If property is retired or disposed of as a result of major accident or other casualty, the costs related to such prop-

erty, less accrued depreciation reserves, shall be charged to balance sheet account 1890 Other Deferred Charges pending adjustments and settlement of insurance. The resulting profit or loss, after reflecting adjustments for insurance coverage or self-insurance, shall be recorded as a capital gain or loss or as a credit or debit to the applicable self-insurance reserve, as appropriate. If the air carrier has no option but to accept replacement by an equivalent unit, the book cost and accrued depreciation reserves applicable to the unit disposed of shall be assigned to the new property or equipment. Where the air carrier has the option in settlement to select between replacement in kind and cash or its equivalent, the air carrier shall account for the property or equipment disposed of in accordance with subparagraph (5) or (6) of this section 5-3(e). Any property or equipment purchased in replacement shall be recorded pursuant to subparagraph (1) of this section 5-3(e).

(8) When property and equipment owned by the air carrier is applied as part payment of the purchase price of new property and equipment, the new property and equipment shall be recorded at its full purchase price provided an excessive allowance is not made for assets traded in, in lieu of price adjustments or discounts on the purchase price of assets acquired. The difference between the depreciated cost of assets applied as payment and the amount allowed therefor shall be treated as retirement gain or loss. When used tangible property is exchanged for other used tangible property and no other form of consideration is involved, the book cost less related depreciation reserves of the property given in exchange shall be assigned to the property received. When the consideration consists of both cash or its equivalent and tangible property, and the cash or its equivalent is less than 25 percent of the fair market value of the total consideration, the entire transaction is to be treated as an exchange of property. The cost of the properties received by each party shall be the book cost less related depreciation reserves of the properties given in exchange, plus or minus the cash, or the cash value of any other consideration, paid or received. Capital gain or loss is not to be recorded on the books of either party, except to the extent that the additional cash or other consideration received exceeds the depreciated book cost of the properties given. When the additional cash, or the cash value of other consideration, is at least 25 percent of the fair market value, the transaction shall be treated as a purchase and sale. The property received by each party shall be entered on the books at its fair market value and the net increase or decrease in asset values resulting from the transaction shall be treated as capital gain or loss.

(9) The cost of property and equipment acquired shall, upon acquisition, be recorded in the appropriate classification specifically established for such property and equipment; provided, that

when operating property and equipment acquired requires conditioning or modification before placing in air transport or its incidental services, the cost thereof and related conditioning and modification costs shall be accumulated in balance sheet account 1689 Construction Work in Progress. The total accumulated cost shall be transferred to the appropriate operating property and equipment account coincidentally with the placing of the property and equipment into regular air transport or incidental services.

(10) When operating property or equipment is retired from air transportation or incidental operations and retained by the air carrier, its cost, together with applicable depreciation reserves, shall be transferred to balance sheet classification 1700 Nonoperating Property and Equipment. If property is transferred for exclusive use of non-transport divisions, the cost less related depreciation reserves shall be recorded in balance sheet account 1520 Advances to Nontransport Divisions.

(11) The air carrier shall maintain property and equipment records setting forth the description of all property and equipment recorded in balance sheet classifications 1600 and 1700 Property and Equipment. With respect to each unit or group of property or equipment, the record shall show the date of acquisition, the original cost, the cost of additions and betterments, the cost of parts retired, rates of depreciation, residual values not subject to depreciation, and the date of retirement or other disposition.

(12) Property and equipment loaned, in the custody of, or consigned to the air carrier without a purchase obligation, shall not be recorded in the same manner as similar classes or types of property purchased by the air carrier. The property and equipment accounts shall not be charged with the value of such property, and liability accounts shall not be established: *Provided, however,* That appropriate memoranda accounts may be maintained.

(13) Charges to the accounts prescribed in section 6 shall be made upon the basis of functions performed without regard to the location at which the equipment or property is installed or placed.

(14) Objective accounts shall be maintained for each class of property and equipment in accordance with the instructions set forth in section 6.

Sec. 5-4 Property and equipment depreciation and overhaul.

(a) The balance sheet classification "depreciation reserves" shall include the accumulation of all provisions for losses occurring in property and equipment from use and obsolescence. For example, it shall include reserves for depreciation established to record current lessening in service value due to wear and tear from use and the action of time and the elements, as well as losses in capacity for use or service occasioned by obsolescence, supersession, discoveries, change in popular demand, or the

requirement of public authority. Residual values and rates for accrual of depreciation shall be calculated to prevent charging excessive or inadequate expense or the accumulation of inadequate or excessive reserves.

(b) Depreciation chargeable against operations shall be calculated from the date on which a building, structure, or unit of property is placed in or contributes to regular service and shall cease on the date such property is withdrawn from service by reason of sale, retirement, abandonment, or dismantling, or when the difference between the cost and residual value shall have been charged to expense.

(c) Property for which depreciation shall not be chargeable against operations shall include (1) land owned or held in perpetuity, and (2) expenditures on uncompleted units of property and equipment during the process of construction or manufacture.

(d) Rates of depreciation and undepreciable residual values applied to each class of depreciable property and equipment shall be calculated to distribute the estimated depreciable cost to operating expense accounts and other accounts over the estimated service life of the property and equipment in such manner as will prevent the charging of either excessive or inadequate expense or the accumulation of excessive or inadequate reserves (see section 2-14(a)) and fully recognize the extent to which all expenditures attaching to property and equipment are otherwise recoverable through income charges and disposal proceeds.

(e) Adjustments in rates of depreciation occasioned by changing conditions shall be applied in accordance with the general policies set forth in section 2-14.

(f) Each air carrier shall adopt procedures of accounting for airframe and aircraft engine overhauls as will effectively result in the allocation of total maintenance expense between accounting periods in accordance with the use of airframes and aircraft engines. When overhauls are scheduled in such a manner as will produce a relatively equitable allocation of maintenance costs between accounting periods the cost of each overhaul may be expensed directly as performed. Under circumstances in which overhaul procedures are such that the direct expensing of overhaul costs will not result in an equitable allocation of total maintenance costs as between different accounting periods the air carrier shall apply, consistently with respect to all airframe and engine types for which direct expensing of overhaul costs will not effectively produce an equitable allocation of cost, the accounting procedures set forth in paragraph (g) of this section 5-4. For the purposes of this system of accounts and reports, an airframe or aircraft engine "overhaul" shall be deemed to encompass the total of those inspections or replacements of major components performed in piecemeal phases, or in one operation, as are required to be performed at specified maximum periodic intervals by the Civil Air Regulations to recertify that airframes or aircraft en-

gines are in a completely airworthy condition. Costs which attach to the routine replacement of minor parts and servicing or inspection of airframes and aircraft engines, performed on a recurrent but not scheduled basis, or on a scheduled basis without withdrawal from line service, to maintain airframes and aircraft engines in an operating condition, shall not be considered to be "overhauls" but shall be expensed directly as ordinary recurrent maintenance. Extraordinary costs of material amounts associated with the renewal of major structural parts of airframes and aircraft engines beyond the scope of normal periodic overhauls, or which are incurred at periodic intervals approximating the depreciable service life of the airframe and aircraft engine types to which related, shall not be considered to be overhauls. Such costs shall be accounted for as restoration of assets chargeable to the related property account. The cost of components removed, together with related depreciation reserves, shall be treated as retired property and accounted for accordingly. In the event identification of the cost of the components removed is not feasible, the costs entailed in substituting components may be charged against the related depreciation reserves.

(g) The accounting procedures in this paragraph (g) shall be observed as a consistent practice with respect to all airframe or aircraft engine types for which the direct expensing of overhaul costs will not effectively produce an equitable allocation of costs between accounting periods in accordance with the use of airframes or aircraft engines:

(1) With respect to owned airframes or aircraft engines, profit and loss account 72 Flight Equipment Airworthiness Provisions shall be charged each quarterly accounting period and balance sheet account 1629 Flight Equipment Airworthiness Reserves shall be concurrently credited with recurrent provisions for all costs associated with overhauls, which are not otherwise recurrently expensed and are necessary to place overhaul costs on a full accrual basis. Separate subaccounts shall be established for recording reserves accumulated with respect to airframes and aircraft engines, respectively. That portion of the recurrent charges representing provisions for labor, materials and outside overhaul costs shall be entered in profit and loss account 5272. That portion representing provisions for maintenance burden shall be entered in profit and loss account 5372.

(2) When overhauls are performed, the related cost of labor, materials, outside overhauls, and maintenance burden shall be charged against the applicable flight equipment airworthiness reserve. Profit and loss account 5272 Flight Equipment Airworthiness Provisions shall be concurrently credited with the applicable costs of labor, materials and outside overhauls. Profit and loss account 5372 Flight Equipment Airworthiness Provisions shall be concurrently credited with the cost of applicable maintenance burden. The cost of each

overhaul shall also be charged to the applicable direct maintenance and maintenance burden objective accounts as incurred and appropriate asset or liability accounts shall be concurrently credited.

(3) When improvements or betterments of either owned or leased airframes or aircraft engines are effected in conjunction with overhauls of such property, the costs related to such improvements or betterments shall be charged to the appropriate asset accounts.

(4) Provisions for overhauls of leased airframe and aircraft engines shall be charged to the applicable airworthiness provision expense accounts. To the extent the air carrier is obligated to return the property to the lessor in an overhauled condition, an appropriate subaccount of balance sheet account 2190 Other Current Liabilities or an appropriate subaccount of balance sheet account 2290 Other Noncurrent Liabilities shall be credited. Upon the performance of overhauls, the applicable costs incurred in liquidating any liability for overhaul of leased property shall be charged to the appropriate liability account. Upon settlement with the lessor, any remaining liability shall be transferred along with associated improvements and related depreciation reserves to profit and loss account 81 Capital Gains and Losses. Except as provided in this subparagraph, the accounting to be observed with respect to leased airframes and aircraft engines shall conform with those prescribed with respect to owned airframes and aircraft engines.

(5) Upon retirement of owned airframes or aircraft engines the applicable flight equipment airworthiness reserves shall be transferred, along with the cost and related depreciation reserves of the property retired, to profit and loss account 81 Capital Gains and Losses. However, under circumstances in which the air carrier does not, as a consistent practice, exclude from depreciable cost and amount equivalent to the cost of an overhaul, in addition to the normal residual value, the related flight equipment airworthiness reserve shall be transferred, upon retirement of the applicable flight equipment, to profit and loss account 72 Flight Equipment Airworthiness Provisions; the reserve so transferred shall be associated in amount with the property retired and the amount so transferred shall be clearly identified with account 72 Flight Equipment Airworthiness Provisions on CAB Form 41 Schedule B-8.

(6) Provisions for overhauls of airframes or aircraft engines may be made upon either a unit basis or a group basis. In either case, the accrual rates shall be based on representative experienced and anticipated overhaul costs per hour flown between overhauls for each airframe or aircraft engine type. The rates for new types of airframes or aircraft engines may be based upon parallel experience or upon such engineering or other information as may be available. Rates for direct costs and related maintenance burden provisions, respectively, shall be recalculated at the close

of each fiscal year, at least, and the applicable reserve or liability adjusted accordingly, on the basis of hours flown since last overhaul, by charges or credits to the applicable airworthiness provisions expense account. When reserves or liabilities for overhaul are first established the provisions for hours expired from the beginning of the overhaul cycle as of the close of the next previous fiscal year, computed on the same basis as for the current fiscal year, shall be charged to the applicable airworthiness provisions expense account. When material amounts are involved, profit and loss account 96 Special Income Credits and Debits (Net) shall be charged.

(7) Material effects upon income taxes resulting from differences as between income recognized for tax and book purposes, associated with accruals to airframe or aircraft engine airworthiness reserves, shall be accounted for in accordance with the instructions for balance sheet account 2340 Deferred Federal Income Taxes.

(8) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement fully describing its plans of accounting for airframe and aircraft engine overhauls. The required statement shall indicate for each airframe and aircraft engine type whether the costs of overhauls related thereto are, as a matter of consistent practice, expensed directly or accounted for on an accrual basis. If expensed directly, the statement shall include a factual demonstration that such accounting practice results in an equitable apportionment of costs between different accounting periods in accordance with the use of airframes or aircraft engines and does not produce periodic peaks in maintenance costs in one accounting year which are properly applicable to operations performed in other accounting years. If accounted for on an accrual basis, the statement shall indicate separately the rates at which the direct cost and maintenance burden provisions are being accumulated; whether provisions are effective on a unit basis or a group basis; the hours over which reserves or liabilities are being accumulated; and whether differences in income tax expenses associated with differences in financial accounting and tax practices for overhaul are deferred as a consistent practice. The statement shall also provide a factual demonstration of the overhaul cost and hours realized between overhauls over previous representative periods or other factors upon which the rates are based.

Sec. 5-5 Deferred charges.

(a) Include in this classification all debit balances in general clearing accounts including charges held in suspense pending receipt of information necessary for final disposition, prepayments chargeable against operations over a period of years, capitalized expenditures of an organizational or developmental character, property acquisition adjustments, and the cost of patents,

copyrights and miscellaneous intangibles.

(b) Deferred charges having a definite time incidence shall be amortized over the periods to which they apply. When property acquisition adjustments, developmental and preoperating costs, and other intangibles are capitalized, each air carrier shall file a statement of accounting procedures, setting forth a description of the items capitalized and the monthly rates at which it proposes to amortize such costs. (See sec. 22(d) or 32(d), as applicable.)

Sec. 5-6 Current liabilities.

Include in this classification all debts or obligations the liquidation or payment of which is reasonably expected to require the use, within one year, of existing resources of a type which are properly classifiable as current assets, or the creation of other current liabilities. Current liabilities shall include payables incurred in the acquisition of materials, collections received in advance of performance of services, debts accruing from expenses incurred from operations and other liabilities that are regularly and ordinarily subject to current liquidation.

Sec. 5-7 Noncurrent liabilities.

(a) This classification shall include all debts or obligations the liquidation or payment of which is not reasonably expected to require the use within one year of existing resources of a type which are properly classifiable as current assets, or the creation of current liabilities. Noncurrent liabilities shall include mortgages, bonds and debentures maturing more than one year from the date of the balance sheet and other obligations not payable within 12 months. It shall reflect the principal amount or par value of debt securities issued or other long-term debt assumed by the air carrier. Discount and expense on long-term debt shall be recorded in the Deferred Charges balance sheet group. Premiums on long-term debt shall be recorded in the Deferred Credits balance sheet account group.

(b) In cases where debt coming due within 12 months is to be refunded, or where payment is to be made from assets of a type not properly classifiable as current, the amount payable shall not be removed from this classification.

(c) Gains or losses on liquidation of bonds, debentures or other debt securities of the air carrier shall be entered in profit and loss classification 8100 Nonoperating Income and Expense—Net Gains and losses or adjustments to liabilities accrued from expenses incurred in operations shall be entered in the expense accounts initially charged.

Sec. 5-8 Deferred credits.

(a) Include in this classification all credit balances in general clearing accounts including credits held in suspense pending receipt of information necessary for final disposition and premiums on long-term debt securities of the air carrier.

(b) Deferred credits having a definite time incidence shall be amortized over the periods to which they apply.

Sec. 5-9 Stockholder equity.

(a) This general classification shall include all items which record the aggregate interests of holders of the air carrier's stock in assets owned by the air carrier.

(b) The general classification "Stockholder Equity", shall be subdivided between that portion representing direct contributions of the stockholders, or "Paid-In Capital", that portion representing income retained from the operation of the air carrier, or "Retained Earnings", and that portion, "Treasury Stock", representing the cost to the air carrier of capital stock issued by the air carrier which has been reacquired and is held for disposition.

(c) The "Paid-In Capital" classification shall be subdivided between "Capital Stock", which shall include the par or stated value of capital stock issued or the cash value of the consideration actually received in case of stock having no par or stated value, and "Other Paid-In Capital", which shall include the excess (premium) or deficiency (discount) of the cash value of the consideration received from the issue of any capital stock having par or stated value, donations by stockholders, adjustments of capital resulting from reorganization or recapitalization, and gains or losses from reacquisition and resale or retirement of the air carrier's capital stock.

(d) The records supporting the entries in the accounts included in the "Other Paid-In Capital" balance sheet classification shall be maintained with sufficient particularity to identify amounts applicable to each series and class of stock affected.

(e) Discount applicable to a particular class or series of capital stock shall not be offset against premiums applicable to another class or series of capital stock. At the option of the air carrier discount applicable to a particular class or series of stock may be offset against premiums related to that class or series of stock.

(f) Gains or losses arising from the reacquisition and resale or retirement of the air carrier's capital stock shall be credited or debited, as appropriate, to that portion of "Other Paid-In Capital" which relates to the particular series and class of capital stock resold or retired.

(g) The "Retained Earnings" balance sheet classification shall reflect the balance of net profits, income, and gains of the air carrier from the date of incorporation after deducting losses, and distributions to stockholders. In cases where a deficit has been absorbed by a reduction of "Other Paid-In Capital" as a result of a restatement of capital stock or retained earnings, a new retained earnings account shall be established, dated to show that it runs from the effective date of the restatement and this dating shall be disclosed in financial statements until such time as the effective date no longer possesses special significance.

Section 6—Objective Classification of Balance Sheet Elements

CURRENT ASSETS

1010 Cash.

(a) Record here all general and working funds available on demand as of the date of the balance sheet which are not formally restricted or earmarked for specific objectives. Funds deposited for special purposes which are to be satisfied within one year shall be included in account 1030 Special Deposits and funds restricted as to general availability, which are not offset by current liabilities, shall be included in account 1550 Special Funds—Other.

(b) Each air carrier shall subdivide this account in such manner that the balance can be readily segregated as between balances in United States currency and the balances in each foreign currency.

1030 Special Deposits.

Record here funds or securities deposited with fiscal agents or others for payment of current obligations. Deposits for more than one year, not offset by current liabilities, shall not be included in this account but in account 1550 Special Funds—Other.

1110 United States Government Securities.

Record here the cost of United States Government securities. This account shall be charged or credited for discount or premium to be amortized to profit and loss account 83 Interest Income.

1120 Other Temporary Cash Investments.

Record here the cost of securities and other collectible obligations acquired for the purpose of temporarily investing cash, other than those issued by the United States Government or associated companies. This account shall be charged or credited for discount or premium to be amortized to profit and loss account 83 Interest Income.

1220 Accounts Receivable—U.S. Government.

Record here amounts due on open account with the United States Government. The balances in this account shall be maintained in such fashion as will clearly and separately identify service mail pay receivables, subsidy receivables and other than mail transportation receivables.

1230 Accounts Receivable—Foreign Governments.

Record here amounts due on open account with foreign governments.

1240 Accounts Receivable—General Traffic.

(a) Record here amounts due for the performance of air transportation, except those due from the United States and foreign governments and associated companies, includible in balance sheet accounts 1220 Accounts Receivable—U.S. Government, 1230 Accounts Receivable—Foreign Governments, and 1250

Notes and Accounts Receivable—Associated Companies. This account shall include gross amounts due whether settled through airline clearing houses or with individual carriers.

(b) Amounts payable, includible in account 2030 Collections as Agent—Traffic shall not be credited to this account.

1250 Notes and Accounts Receivable—Associated Companies.

Record here gross amounts due from associated companies including traffic accounts receivable, which are settled currently. Balances payable to associated companies shall not be offset against amounts carried in this account. Balances with associated companies which are not normally settled currently shall not be included in this account but in balance sheet account 1510 Investments in Associated Companies.

1260 Notes and Accounts Receivable—Company Personnel.

Record here amounts due from officers and employees of the air carrier.

1280 Notes and Accounts Receivable—Other.

Record here notes receivable and accounts due from others, which are to be settled currently, not provided for in accounts 1220 to 1260, inclusive.

1290 Reserve for Uncollectible Accounts.

(a) Record here accruals for estimated losses from uncollectible accounts.

(b) All accounts against which reserves have been established shall be examined at least annually for the purpose of redetermining the basis of accruals to be applied to subsequent accounting periods and the reasonableness of reserves already provided.

1310 Flight Equipment Expendable Parts.

(a) Record here the cost of flight equipment replacement parts of a type which ordinarily would be recurrently expended and replaced rather than repaired and reused. The cost of rotatable parts and assemblies of material value which ordinarily are repaired and reused and possess a service life approximating that of the primary property types to which related shall not be recorded in this account but in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies. For purposes of identifying rotatable parts and assemblies of insignificant unit value which may be included in this account, a reasonable maximum unit value limitation may be established.

(b) Costs paid by the air carrier such as transportation charges and customs duties; excise, sales, use and other taxes; special insurance; and other charges applicable to the cost of flight equipment expendable parts shall be charged to this account when they can be definitely allocated to specific items or units of property. If such costs cannot be so allocated, or if of minor significance in relation to the cost of such property, the amounts thereof may be charged to balance sheet account 1890 Other De-

ferred Charges, and cleared either by a suitable "loading charge" as the parts are used or by current charges to appropriate expense or property accounts; *Provided*, That the method of application does not cause material distortion in operating expenses from one accounting period to another.

(c) Reusable parts recovered in connection with construction, maintenance, or retirement of property and equipment shall be included in this account at fair and reasonable values but in no case shall such values exceed original cost. Recoveries of normally repairable and reusable parts of a type for which losses in value may be covered on a practical basis through valuation reserve provisions shall be included in this account on an original cost basis. Scrap and nonusable parts, expensed from this account and recovered, shall be included at net amounts realizable therefrom with contra credit to the expense accounts initially charged.

(d) Any losses sustained or gains realized upon the abandonment or other disposition of flight equipment expendable parts shall be taken up as capital gains or losses in the periods in which sustained or realized. (See balance sheet account 1311.)

(e) Items in this account shall be charged to appropriate expense accounts as issued for use. Profit and loss on sales of inventory items as a routine service to others shall be included in profit and loss accounts 14 General Service Sales—Associated Companies, or 16 General Service Sales—Outside, and the parts sold shall be removed from this account at full cost.

(f) Subaccounts shall be established within this account for the separate recording of each class or type of flight equipment expendable repair parts.

1311 Obsolescence and Deterioration Reserves—Expendable Parts.

(a) Accruals shall be made to this account when reserves are established for losses in the value of expendable parts. The accruals to this account shall be made by charges to profit and loss account 73 Provisions for Obsolescence and Deterioration—Expendable Parts. Records shall be maintained in sufficient detail to permit association of the reserves with each class or type of expendable parts.

(b) The accruals to this account shall be based upon a predetermination by the air carrier of that portion of the total inventory of each class and type of expendable parts against which a reserve for loss is to be accrued. Expendable parts issued for use in operations shall be charged to operating expenses as issued and shall not be charged to this account. If at the end of any calendar year the amount of the reserve exceeds the product of the applicable inventory for the year determined consistently on a year-end or average basis, and the sum of the standard percentage accrual rates for all prior years including the current, the reserve shall be adjusted downward by the amount of the excess. Such adjustments shall be charged to this ac-

count and credited to profit and loss account 73 Provisions for Obsolescence and Deterioration—Expendable Parts.

(c) Where changing conditions necessitate a revision or adjustment in rates of accrual, such revision or adjustment shall be made applicable to current and subsequent accounting periods and shall not be applied retroactively to prior accounting periods. Following retirement of airframe or aircraft engine types to which related, any balance remaining in this account shall be offset against related balances carried in balance sheet account 1310 Flight Equipment Expendable Parts and the net cleared to profit and loss account 81 Capital Gains and Losses.

(d) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement fully describing its plans of accounting for reserves for obsolescence and deterioration of expendable parts. The required statement shall indicate for each class or type of parts the predetermined level of the inventory against which a reserve is being accrued and shall fully explain the bases of the estimated losses and the rate of reserve accrual.

1330 Miscellaneous Materials and Supplies.

(a) Record here the cost of unissued and unapplied materials and supplies, including motor fuels and lubricating oils, held in stock such as unissued shop materials, expendable tools, stationery and office supplies, passenger service supplies, and restaurant and food service supplies.

(b) This account shall not include flight equipment replacement parts. Such items shall be recorded, as appropriate, in balance sheet account 1310 Flight Equipment Expendable Parts or 1608 Flight Equipment Rotable Parts and Assemblies.

(c) Materials and supplies held in small supply and purchased currently may be charged to appropriate expense accounts when purchased. Costs paid by the air carrier such as transportation charges and customs duties; excise, sales, use and other taxes; special insurance; and other charges applicable to the cost of materials and supplies shall be charged to this account when they can be definitely allocated to specific items or units of property. If such costs cannot be allocated, or if of minor significance in relation to the cost of such property, the amounts thereof may be charged to balance sheet account 1890 Other Deferred Charges, and cleared either by a suitable "loading charge" as the parts are used or by current charges to appropriate expense or property accounts: *Provided*, That the method of application does not cause material distortion in operating expenses from one accounting period to another.

(d) Reusable materials and supplies recovered in connection with the construction, maintenance, or retirement of property and equipment shall be included in this account at fair and reasonable values but in no case shall such

values exceed original cost. Scrap and nonusable materials and supplies, expended from this account and recovered, shall be included at net amounts realizable therefrom with contra credit to the expense accounts initially charged.

(e) A reserve for inventory adjustment applicable to materials and supplies is prohibited. Items in this account shall be charged to appropriate expense accounts as issued for use. Profit and loss on sales of inventory items as a routine service to others shall be included in profit and loss account 14 General Service Sales—Associated Companies or 16 General Service Sales—Outside.

(f) Subaccounts shall be established within this account for the separate recording of each class or type of miscellaneous materials and supplies.

1410 Short-Term Prepayments.

Record here prepayments of obligations which if not paid in advance would require the expenditure of working capital within one year, such as prepaid rent, insurance, taxes, interest, etc. Unexpired insurance and miscellaneous prepayments applicable to periods extending beyond one year where significant in amount shall be charged to balance sheet account 1820 Long-Term Prepayments.

1420 Other Current Assets.

Record here current assets not provided for in balance sheet accounts 1010 to 1410, inclusive.

INVESTMENTS AND SPECIAL FUNDS

1510 Investments in Associated Companies.

(a) Record here net investments in associated companies together with advances, loans, and other amounts not settled currently. Balances receivable from and payable to different associated companies shall not be offset.

(b) This account shall be subdivided by all air carrier groups as follows:

1510.1 Investments in Subsidiary Companies.

Record here the cost of investments in subsidiary companies (except as provided in section 5-2(c)) plus the equity in undistributed earnings or losses since acquisition. In the event dividends are declared by such companies, the air carrier shall credit this account for its share in dividends declared and debit balance sheet account 1250 Notes and Accounts Receivable—Associated Companies. This account shall separately state: (a) The cost of such investments at date of acquisition and (b) the equity in undistributed earnings or losses since acquisition. Such accounting method shall not apply to investments in nontransport foreign subsidiary companies.

1510.2 Investments in Other Associated Companies.

(a) Record here the cost of investments in associated companies other than subsidiary companies. Cost shall represent the amount paid at date of acquisition without regard to subsequent changes in the net assets through earnings or losses

of such associated companies, except as provided in section 5-2(c).

(b) In accordance with the provisions of section 22(d) or 32(d), as applicable, a statement shall be filed with the Civil Aeronautics Board which fully explains the procedures for accounting for investments in subsidiary and other associated companies, including change in status from associated to subsidiary company, or vice versa.

1520 Advances to Nontransport Divisions.

(a) Record here investments in and advances (including amounts due on open accounts) to nontransport divisions for which separate records and books of account are maintained.

(b) Three subaccounts shall be maintained for each nontransport division: (1) net investment; (2) current net profit or loss; and (3) current accounts receivable or payable between the air carrier and the nontransport division.

(c) Each nontransport division shall be accounted for separately in net amounts receivable which shall be included in this account or net amounts payable which shall be included in balance sheet account 2245 Advances From Nontransport Divisions.

1530 Other Investments and Receivables.

Record here notes and accounts receivable not due within one year and investments in securities issued by others. Securities held as temporary cash investments shall not be included in this account but in either balance sheet account 1110 United States Government Securities or 1120 Other Temporary Cash Investments as appropriate. Investments in and receivables from associated companies which are not settled currently shall be included in balance sheet account 1510 Investments in Associated Companies.

1540 Special Funds—Self-Insurance.

Record here funds segregated as part of a plan for the operation of a reserve for self-insurance.

1550 Special Funds—Other.

Record here special funds not of a current nature and restricted as to general availability, except funds for uninsured losses. Include items such as sinking funds, cash and securities posted with courts of law, employee's funds for purchase of capital stock, pension funds under the control of the air carrier and equipment purchase funds. Funds for uninsured losses shall be included in balance sheet account 1540 Special Funds—Self-Insurance.

OPERATING PROPERTY AND EQUIPMENT

1601 Airframes.

(a) Record here the total cost to the air carrier of airframes of all types and classes, as provided in section 5-3, together with the full complement of instruments, appurtenances and fixtures comprising complete airframes including accessories necessary to the installation of engines and flight control and transmission systems, except as specifically provided otherwise in accounts

1602 to 1607, inclusive and excluding main and tail rotor heads of rotary wing aircraft.

(b) Airframes designed to permit multiple payload configurations shall be recorded in this account at the total cost of the maximum complement of instruments, appurtenances and fixtures used in the air carrier's operations.

1602 Aircraft Engines.

Record here the total cost to the air carrier of complete units of aircraft engines of all types and classes, as provided in section 5-3, together with a full complement of accessories, appurtenances, parts and fixtures comprising fully assembled engines as delivered by the engine manufacturer ready for operation in test but without the accessories necessary to its installation in airframes.

1603 Aircraft Propellers.

Record here the total cost to the air carrier of installed aircraft propellers and rotary wing aircraft rotors, and other similar assemblies, of all types and classes, pursuant to section 5-3. Values recorded in this account shall not be changed with the substitution of parts and assemblies except as provided by section 5-3(e) (2).

1604 Aircraft Communications and Navigational Equipment.

Record here the total cost to the air carrier of installed airborne communications and electronic navigational equipment, and other similar assemblies, of all types and classes pursuant to section 5-3. Values recorded in this account shall not be changed with the substitution of parts and assemblies except as provided by section 5-3(e) (2).

1606 Miscellaneous Flight Equipment.

Record here the total cost to the air carrier of complete units of miscellaneous airborne flight equipment of all types and classes, not otherwise provided for in accounts 1601 through 1604, inclusive, as provided in section 5-3, such as miscellaneous flight crew equipment, life rafts, etc.

1607 Improvements to Leased Flight Equipment.

Record here the total cost to the air carrier incurred in connection with modification, conversion or other improvements to leased flight equipment, as provided in section 5-3.

1608 Flight Equipment Rotable Parts and Assemblies.

(a) Record here the total cost to the air carrier of all spare instruments, parts, appurtenances and subassemblies related to the primary components of flight equipment units provided for in balance sheet accounts 1601 through 1607, inclusive, as provided in section 5-3. This account shall include all parts and assemblies of material value which are rotatable in nature, are generally reserved or repaired, are used repeatedly and possess a service life approximating that of the property type to which they relate. Items of an expendable nature which generally may not be repaired and re-

used, shall not be recorded in this account but in account 1310 Flight Equipment Expendable Parts. Except for recurrent service sales, flight equipment parts recorded in this account shall be accounted for in accordance with the instructions related to property and equipment generally and shall not be charged to operating expense as retired. Profit or loss on sales of parts as a routine service to others shall be included in profit and loss account 14 General Service Sales—Associated Companies, or 16 General Service Sales—Outside, and parts sold shall be removed from this account at full cost irrespective of any reserve for depreciation which has been provided.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

- 1608.1 Airframe Parts and Assemblies.
- 1608.5 Aircraft Engine Parts and Assemblies.
- 1608.9 Other Parts and Assemblies.

1609 Flight Equipment.

This classification is established only for purposes of control by the Civil Aeronautics Board and shall reflect the total cost of property and equipment of all types and classes used in the in-flight operations of aircraft.

1619 Reserve for Depreciation—Flight Equipment.

(a) Record in accounts 1611 through 1618, inclusive, accruals for depreciation of flight equipment as provided in section 5-4.

(b) As set forth in section 3, Chart of Balance Sheet Accounts, separate accounts shall be established for depreciation reserves to parallel balance sheet accounts 1601 through 1608 established for recording the cost of flight equipment.

1629 Flight Equipment Airworthiness Reserves.

(a) Record here accumulated provisions for overhauls of flight equipment as provided in section 5-4 (f) and (g).

(b) Separate subaccounts shall be established for recording accumulated provisions related to each type of airframe and aircraft engine, respectively.

NOTE: At the option of the air carrier the number "2629" may be assigned to this account for accounting purposes. However, for purposes of reporting on CAB Form 41, the balance in this account shall be reported under account "1629".

1630 Passenger Service Equipment.

Record here the total cost to the air carrier of full complements of equipment assigned to aircraft or active line operations as opposed to items held in stock for servicing passengers, as provided in section 5-3, such as broilers, bottleware, dishes, food boxes, thermos jugs, blankets, first aid kits, etc. Spare items shall be carried in balance sheet account 1330 Miscellaneous Materials and Supplies and shall be charged directly to expense upon withdrawal from stock for replacing original complements.

1631 Hotel, Restaurant and Food Service Equipment.

Record here the total cost to the air carrier of all types and classes of equipment used in restaurants and kitchens, as provided in section 5-3.

1632 Ramp Equipment.

Record here the total cost to the air carrier of equipment of all types and classes, as provided in section 5-3, used in enplaning and handling traffic and in handling aircraft while on ramps, including motorized vehicles used in ramp service. Classes of equipment used interchangeably between handling aircraft on ramps and in maintaining aircraft may be classified in accordance with normal predominant use.

1633 Communication and Meteorological Equipment.

Record here the total cost to the air carrier of non-airborne equipment of all types and classes, as provided in section 5-3, used in meteorological and communication services which is not a part of buildings.

1634 Maintenance and Engineering Equipment.

Record here the total cost to the air carrier of equipment of all types and classes, as provided in section 5-3, including motorized vehicles used in engineering and drafting services and in maintaining, overhauling, repairing and testing other classes of property and equipment. Classes of equipment used interchangeably between handling aircraft on ramps and in maintaining aircraft may be classified in accordance with normal predominant use.

1635 Surface Transport Vehicles and Equipment.

Record here the total cost to the air carrier of property and equipment of all types and classes, as provided in section 5-3, used in ground and marine transportation services. This account shall not include motorized vehicles or equipment used primarily in loading and servicing aircraft or in maintaining aircraft, which motorized vehicles or equipment shall be classified in accordance with predominant use.

1636 Furniture, Fixtures and Office Equipment.

Record here the total cost to the air carrier of furniture, fixtures and office equipment of all types and classes, wherever used or located, as provided in section 5-3.

1637 Storage and Distribution Equipment.

Record here the total cost to the air carrier of property and equipment of all types and classes, as provided in section 5-3, used in storing and distributing fuel, oil and water, such as fueling trucks, tanks, pipe lines, etc.

1638 Miscellaneous Ground Equipment.

Record here the total cost to the air carrier of ground equipment of all types and classes, as provided in section 5-3 (not provided for in balance sheet

accounts 1630 through 1637, inclusive) such as medical, photographic, and employee's training equipment, and airport and airway lighting equipment.

1640 Buildings and Other Improvements.

Record here the total cost to the air carrier of buildings, structures and equipment and related improvements, both owned and leased, as provided in section 5-3. Each air carrier shall maintain the following subaccounts in which the values fairly assignable to maintenance and other operations shall be separately recorded:

1640.1 Maintenance Buildings and Improvements.

1640.9 Other Buildings and Improvements.

1649 Ground Property and Equipment.

This classification is established only for purposes of control by the Civil Aeronautics Board and shall reflect the total cost of property and equipment of all types and classes other than flight equipment, land, and work in progress.

1669 Reserves for Depreciation—Ground Property and Equipment.

(a) Record in accounts 1650 through 1660, inclusive, accruals for depreciation of ground property and equipment as provided in section 5-4.

(b) As set forth in section 3, Chart of Balance Sheet Accounts, separate accounts shall be established for depreciation reserves which parallel balance sheet accounts 1630 through 1640, established for recording the cost of ground property and equipment.

1679 Land.

Record here the initial cost and the cost of improving land, as provided in section 5-3.

1689 Construction Work in Progress.

(a) Record here the direct and indirect costs to the air carrier accumulated to the date of the balance sheet in connection with constructing and readying for installation in operations, for property and equipment of all types and classes as provided in section 5-3. Where properly includible in the property and equipment classification, record here also the accumulated costs for uncompleted overhauls of airframes, aircraft engines, or other material units of property.

(b) At the option of the air carrier this account may be used as a clearing account for recording the cost of property and equipment acquisitions prior to a distribution thereof to the appropriate property accounts, whether or not conditioning or modification is necessary before placing in service.

NONOPERATING PROPERTY AND EQUIPMENT

1700 Nonoperating Property and Equipment.

The total cost to the air carrier of nonoperating property and equipment and related reserves for depreciation shall be recorded in balance sheet accounts 1701 through 1789 which, as set forth in section 3, Chart of Balance Sheet Accounts, parallel those established above, balance

sheet accounts 1601 through 1689, for recording the cost of operating property and equipment.

DEFERRED CHARGES

1820 Long-Term Prepayments.

Record here prepayments of obligations applicable to periods extending beyond one year such as payments on leased property and equipment and other payments and advances for rents, rights or other privileges.

1830 Developmental and Preoperating Costs.

(a) Record here costs accumulated and deferred by the air carrier pertaining to the development of new routes or extension of existing routes, preparation for operation of new routes subsequent to certification by the Civil Aeronautics Board, the integration of new types of aircraft or services, and other preparations for substantial alterations in operational characteristics.

(b) Costs chargeable to this account shall include items directly related to each specific developmental or preoperating project, such as travel and incidental expenses, legal expenses, flight crew training expenses, and regulatory proceedings expenses. Expenses which would be otherwise incurred in the normal air transport operations conducted by the air carrier during the current accounting period shall not be allocated to developmental or preoperating projects and charged to this account. Nor shall this account be credited for revenues from aircraft flights of a developmental or preoperating character the operating costs of which are charged to this account. Any such revenues shall be included in the profit and loss account for the respective type of revenue. This account shall include charges for only those costs associated with projects directed at obtaining new operating authority or expanding the physical capacity of the air carrier and shall not include costs incurred for the purpose of generating revenues through rate adjustment. Accordingly, costs associated with regulatory proceedings involving route awards or amendments, whether successful or unsuccessful to the carrier, shall be included in this account whereas costs associated with regulatory proceedings involving rate or other revenue generation matters shall be charged to appropriate expense accounts.

(c) Records shall be established for new routes or extensions of existing routes to record separately: (1) Costs incurred in acquiring or applying for the routes, including all costs incurred prior to certification by the Board and inauguration of service by the air carrier, and (2) costs incurred after revenue operations begin over the new routes or extensions.

(d) Subclassifications shall be established to record for each developmental project the period covered and the purpose of each item of expense. Each air carrier shall classify the costs of all projects included in this account between: (1) Those related and contributing to the normal air transportation services

currently conducted by the air carrier; (2) those related to services conducted by the air carrier which are extraneous to or are not otherwise related to the air transportation services currently conducted; and (3) those held in suspense pending status determination in terms of possible contribution to the air transportation services and inauguration of the service or operation to which related.

(e) Amounts included in this account which contribute to or protect the position of the normal air transportation services currently conducted by the carrier shall be amortized to profit and loss account 74 Amortization, unless otherwise approved or directed by the Civil Aeronautics Board. Other amounts included in this account shall be amortized or charged to profit and loss account 89 Miscellaneous Nonoperating Debits.

1840 Unamortized Discount and Expense on Debt.

(a) Record here the excess of the par value of debt securities issued over the cash value of consideration received therefor, exclusive of accrued interest, together with expenses related to the assumption by the air carrier of debt of all types and classes.

(b) Amounts recorded in this account shall be amortized to profit and loss account 87 Interest Expense. Discount and expense on short-term debt may be charged directly to profit and loss account 87 Interest Expense.

1850 Unamortized Capital Stock Expense.

Record here, in separate subdivisions for each class and series of capital stock, all commissions and expenses incurred in the original issuance and sale of capital stock. The air carrier may amortize the balance in this account to profit and loss account 89 Miscellaneous Nonoperating Debits. The air carrier may, at its option, record expenses incurred in the issuance of capital stock in balance sheet account 2890 Other Paid-In Capital as an offset to paid-in capital.

1870 Property Acquisition Adjustment.

(a) Record here the difference between the purchase price to the air carrier of property and equipment acquired as a part of a business from another air carrier through consolidation, merger, or reorganization, pursuant to a plan approved by the Civil Aeronautics Board, and the depreciated cost to the predecessor company at date of acquisition. Record here also such differences relating to purchases of property and equipment from associated companies unless other treatment is approved by the Board. Separate subaccounts shall be established to record the amounts applicable to each such acquisition.

(b) Balances in this account shall be amortized by charges to profit and loss account 89 Miscellaneous Nonoperating Debits unless otherwise directed or approved by the Civil Aeronautics Board.

(c) When charges are made to this account, each air carrier shall file a statement of accounting procedures with the Civil Aeronautics Board in accordance with section 22(d) or 32(d), as ap-

pliable. The required statement shall include an explanation of the charges and the air carrier's proposed plan for writeoff or amortization.

(d) The foregoing instructions do not apply to purchases of individual units of property or equipment from another air carrier when such acquisitions do not require approval of the Civil Aeronautics Board.

1880 Other Intangibles.

Record here the cost of leaseholds, patents, copyrights and other intangible properties, rights and privileges acquired as a part of a business from other air carriers and other intangible assets not provided for elsewhere. This account shall be subdivided to reflect the nature of each intangible asset included in this account. Amortization of each intangible asset recorded in this account shall be effected in accordance with a plan filed with the Civil Aeronautics Board. (See section 5-5.)

1890 Other Deferred Charges.

(a) Record here debits, not provided for elsewhere, the proper final disposition of which cannot be effected until additional information has been received. This account shall include the accumulated cost of labor, materials and outside services used in the process of manufacturing flight equipment expendable parts and materials and supplies for stock, the accumulated cost of jobs in process for others, and projects to be charged to expense upon completion.

(b) This account shall be charged with property loss and other costs related to casualties and credited with recoveries from purchased insurance and salvage. Where self-insurance reserves are not provided, a debit or credit balance in this account related to property retired as a result of a casualty shall be recorded in profit and loss account 81 Capital Gains and Losses; however, any balances related to property not retired or to other casualties shall be recorded in profit and loss account 58 Injuries, Loss and Damage. Proceeds from purchased insurance for property damage, received prior to repair of such damage, shall not be credited to this account but to balance sheet account 2390 Other Deferred Credits pending repair. In cases where self-insurance reserves are applicable, debit or credit balances in this account related to property loss shall be accounted for in accordance with the provisions of balance sheet account 2350 Reserve for Self-insurance. The records for each major casualty shall be kept in such manner as to clearly disclose insurance recoveries and the total costs, which shall include charges for the depreciated cost of property damaged or destroyed, costs for clearing wrecks and damaged property and equipment, including salaries and wages for the repair thereof, and payments for damages to property of others. The cost of casualties shall not be charged directly against retained earnings or appropriations thereof, but shall be cleared through the applicable profit and loss accounts in accordance with the foregoing.

CURRENT LIABILITIES

2010 Current Notes Payable.

Record here the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness payable on demand or within one year to other than associated companies, including the portion of long-term debt due within one year of the balance sheet date. The current portion of long-term debt expected to require the use of existing resources of a type not properly classifiable as current assets, shall be included in appropriate noncurrent liability accounts and shall not be included in this account.

2020 Accounts Payable—General.

Record here all accounts payable within 1 year which are not provided for in accounts 2030 to 2050, inclusive.

2030 Collections as Agent—Traffic.

(a) This account shall include amounts collected for transportation furnished by others, except associated companies, whether settled through airline clearing houses or with individual carriers.

(b) Accounts receivable, includible in account 1240 Accounts Receivable—General Traffic shall not be charged to this account.

2040 Collections as Agent—Other.

Record here amounts collected for the account of others such as sales or transportation taxes and amounts deducted from employee salaries and wages for payments to others exclusive of amounts collected for air transportation over the lines of other air carriers.

2050 Notes and Accounts Payable—Associated Companies.

Record here gross amounts due on traffic accounts, current notes and open accounts with associated companies. Balances receivable from associated companies, shall not be offset against amounts carried in this account. Balances with associated companies which are not normally settled currently shall not be included in this account but in balance sheet account 2240 Advances from Associated Companies.

2110 Accrued Personnel Compensation.

Record here amounts accrued for unpaid compensation to personnel, which have been charged to profit and loss or capitalized, as compensation for the period in which accrued.

2120 Accrued Vacation Liability.

(a) Record here any accruals for liabilities against the air carrier for personnel vacations. At the option of the air carrier the cost of personnel vacations may be charged directly to the applicable personnel compensation expense account without accrual through this account.

(b) This account shall be credited and the applicable personnel compensation expense account concurrently charged with the cost of any lag between vacations accrued and vacations taken. Accruals may be based upon standard rates

of lag provided such standard rates are verified by physical inventory and adjusted accordingly at least once each calendar year. Adjustments of balances in this account shall be cleared to applicable compensation expense accounts. No accruals shall be made to this account for other than definitely demonstrable obligations of the air carrier. (See section 2-5 for applicable accounting policy.)

(c) Each air carrier shall file a statement with the Board fully describing the accounting procedures followed in accruing liability for personnel vacations. The statement shall include such information as (1) bases of accrual; (2) whether the accruals are made pursuant to a firm labor agreement or contract; and (3) whether the accruals cover all employees or certain categories only. (See section 22(d) or 32(d), as applicable.)

2131 Accrued Federal Income Taxes.

(a) Record here accruals for currently payable Federal income taxes. Provisions for deferred taxes shall not be accrued except as provided in section 2-6.

(b) The amount of any potential investment tax credit, computed pursuant to section 46(a)(1) of the U.S. Internal Revenue Code, applicable to property placed in service during each accounting period, and not used as an offset against income tax liabilities, shall be debited to a memorandum account under balance sheet account 2390 Other Deferred Credits titled "Investment Tax Credits Available" and shall be credited to a memorandum account, also under balance sheet account 2390, titled "Unrealized Investment Tax Credits." As investment tax credits are utilized in the reduction of tax liabilities, or expire, these two memorandum accounts shall be adjusted to the remaining outstanding balance of unused and unexpired credits. Concurrently with the utilization of investment tax credits, this account 2131 shall be charged, and profit and loss account 91 Provision for Income Taxes shall be credited. At the option of the air carrier, credits utilized in the reduction of income tax liabilities may be carried through profit and loss account 93.1 Investment Tax Credits Deferred, on a consistent basis from year to year, to balance sheet account 2345 Deferred Investment Tax Credits for amortization over the service life of related property to profit and loss account 93.2 Amortization of Deferred Investment Tax Credits.

(c) In the event that investment tax credits utilized in the reduction of tax liabilities are later disallowed as a result of premature disposition of the property, or otherwise, such disallowed amounts shall be credited to this account 2131 and charged to profit and loss account 91 Provision for Income Taxes. The amount charged to account 91 shall then be cleared through profit and loss account 93.1 to balance sheet account 2345 Deferred Investment Tax Credits to the extent of any related unamortized balance therein.

(d) Each air carrier shall disclose on schedule P-2 of its CAB Form 41 for each calendar quarter whether utilized credits are accounted for on a current or deferred basis under subsection (b) above. The method selected shall be consistently followed by the carrier and shall not be changed unless an application is submitted for Board approval at least 18 months before the date the change is scheduled to become effective.

2139 Other Accrued Taxes.

Record here accruals for taxes, exclusive of Federal income taxes, constituting a charge borne by the air carrier, as opposed to those collected as an agent for others.

2140 Dividends Declared.

Record here in separate subdivisions for each class and series of capital stock, all dividends declared but unpaid on capital stock.

2150 Air Travel Plan Liability.

Record here the air carrier's liability for deposits received under air travel plan contracts.

2160 Unearned Transportation Revenue.

(a) Record here balances representing the value of unused transportation sold and to be provided by the air carrier.

(b) Earned revenue and the value of transportation sold but not used or refunded shall be consistently and periodically cleared by debit to this account and credit to the appropriate profit and loss revenue account. Amounts receivable for transportation to be provided by the air carrier shall be debited to balance sheet account 1240 Accounts Receivable—General Traffic.

(c) Subaccounts to this account shall be established to record balances pertaining to passenger and cargo transportation sold, respectively, and separately to sales in scheduled and nonscheduled services.

(d) In accordance with the provisions of section 22(d) or section 32(d), as applicable, a statement shall be filed with the Board which fully explains the accounting methods and bases of clearing to income both earned and unredeemed transportation sales. The statement shall specify the date when the analysis supporting the verification required by section 2-17 will be made as a consistent practice.

2190 Other Current Liabilities.

Record here current and accrued liabilities not provided for in accounts 2110 to 2160, inclusive.

NONCURRENT LIABILITIES

2210 Long-Term Debt.

Record here the face value or principal amount of debt securities issued or

assumed by the air carrier and held by other than associated companies, which has not been retired or cancelled and is not payable within 12 months of the balance sheet date, except as provided in section 5-7.

2240 Advances from Associated Companies.

Record here net amounts due associated companies for notes, loans and advances which are not settled currently. Balances payable to and receivable from different associated companies shall not be offset.

2245 Advances from Nontransport Divisions.

(a) Record here net advances, including amounts settled currently, from nontransport divisions for which separate records and books of account are maintained.

(b) Each nontransport division shall be accounted for separately in net amounts payable, which shall be included in this account, or net amounts receivable which shall be included in balance sheet account 1520 Advances to Nontransport Divisions.

2250 Pension Liability.

Record here the liability of the air carrier under employee pension plans, to which either or both employees and the air carrier contribute, if the plan is administered by the air carrier.

2260 Company Stock Purchase Plan Liability.

Record here the liability for installments received on capital stock from company personnel who are not bound by legally enforceable subscription contracts.

2290 Other Noncurrent Liabilities.

Record here noncurrent liabilities not provided for in balance sheet accounts 2210 to 2260, inclusive, such as accruals for personnel dismissal liability, and accruals of other demonstrable miscellaneous noncurrent liabilities.

DEFERRED CREDITS

2330 Unamortized Premium on Debt.

(a) Record here the excess of the cash value of consideration received over the par value plus accrued interest on debt securities issued.

(b) Amounts recorded in this account shall be amortized to profit and loss account 87 Interest Expense.

2340 Deferred Federal Income Taxes.

(a) Record here deferred income tax credits and debits arising from different treatment for tax and book accounting purposes of those income elements specifically set forth in section 2-6(b).

(b) This account shall be credited or debited, as appropriate and profit and loss subaccount 92.1 Current Provisions for Deferred Taxes shall be debited or credited, each quarter, with deferred income taxes applicable to the income elements for which the related income tax effect is deferred. Deferred tax provisions shall be computed at tax rates, under existing law, at which the deferred taxes are payable. This means that insofar as income differences result from the application of different residual values in determining depreciation the applicable deferred tax shall be accrued at the appropriate capital gain rate.

(c) This account shall be debited or credited as appropriate, and profit and loss subaccount 92.2 Application of Taxes Deferred shall be credited or debited, each quarter, with deferred tax amounts previously accrued which are allocable to income of the current period.

(d) Upon adjustment or elimination of the income element for which income taxes are deferred, the related deferred tax balance included in this account shall be correspondingly adjusted or eliminated by debit or credit, as appropriate, to profit and loss subaccount 92.3 Adjustment of Deferred Taxes.

(e) Any debit balance herein shall be treated for statement purposes, as a special subaccount of balance sheet account 1890 Other Deferred Charges.

(f) Each air carrier is restricted in its use of this account to the purposes set forth in section 2-6. Deferred tax balances shall not be reversed or revised without prior approval of the Civil Aeronautics Board except that correction of clerical errors shall be effected upon the initiative of the air carrier. All adjustments shall be effected through appropriate credits or debits to profit and loss subaccount 92.3 Adjustment of Deferred Taxes. Full explanation of each adjustment shall be set forth in CAB Form 41 report for the period in which the adjustment is made.

2345 Deferred investment tax credits.

Record here investment tax credits utilized as reduction of tax liabilities, when the carrier exercises the option to defer such credits for amortization over the service life of related equipment (see section 6-2131).

2350 Reserve for Self-Insurance.

(a) Record here all accruals through charges against income for uninsured losses. Segregations of retained earnings for uninsured loss contingencies shall not be credited to this account but to balance sheet account 2930 Appropriations of Retained Earnings. All sustained losses associated with risks for which accruals are being made shall be charged to this account. If through the

operation of the carrier's self-insurance plan a debit balance results in this account, such debit balance shall not be reclassified to another account for either statement or accounting purposes but shall remain in this account until liquidated through operation of the plan in subsequent periods. Upon each redetermination of self-insurance requirements, pursuant to section 2-13, any balances of material amount in excess of those required to cover current risks borne by the air carrier shall be credited to profit and loss account 96 Special Income Credits and Debits (Net) rather than to insurance expense accounts. (See section 2-13, Establishment of Reserves.)

(b) The losses charged to this account shall be limited to the net losses associated with each casualty for which self-insurance reserves are provided, after offsetting any recoveries from purchased insurance, as accumulated in balance sheet account 1890 Other Deferred Charges. (See also section 2-13.) Under co-insurance programs, this account shall be charged with losses borne by the carrier and not covered by purchased insurance. Any excess of the accumulated proceeds from purchased insurance under such co-insurance programs over the depreciated cost of accumulated property losses during each insured period shall be credited to this account to the extent losses associated with such casualties have been charged to this account during such period. Any remaining excess accumulated during the insured period shall be credited to profit and loss account 81 Capital Gains and Losses and shall not be credited to this account. The cost of ordinary maintenance and overhaul work performed along with the repair of casualty damage shall be charged to the appropriate maintenance accounts and not to this account. Refunds of insurance premiums whether based upon the air carrier's casualty experience, or otherwise, shall not be credited to this account but to the applicable insurance expense account.

(c) Each air carrier shall maintain appropriate records for each type and class of property risk or other risk for which self-insurance reserves are provided.

(d) The air carrier shall submit in writing to the Civil Aeronautics Board a statement describing the air carrier's policy with respect to self-insurance pursuant to section 2-13.

2390 Other Deferred Credits.

Record here credits, not provided for elsewhere, the proper final disposition of which cannot be effected until additional information has been received.

STOCKHOLDER EQUITY

2820 Preferred Stock.

Record here in separate subdivisions for each class and series, the par or

stated value of preferred capital stock issued or in the case of no-par stock without stated value, the full consideration received.

2840 Common Stock.

Record here in separate subdivisions for each class and series, the par or stated value of common stock issued or in case of no-par stock without stated value, the full consideration received.

2860 Capital Stock Subscribed and Unissued.

Record here in separate subdivisions for each class and series, the par or stated value, or the subscription price in the case of stock without par or stated value, of legally enforceable subscriptions to the capital stock of the air carrier.

2890 Other Paid-In Capital.

(a) Record here in separate subdivisions for each class and series, the difference between the price at which capital stock is sold and the par or stated value of such stock; gains or losses arising from the reacquisition and the resale or retirement of each class and series of capital stock; donations; the excess of retained earnings capitalized over par or stated value of capital stock issued; and adjustments in capital resulting from reorganization or recapitalization. This account shall also include the balances of contributions to the business enterprise of individual proprietors or partners.

(b) Each air carrier shall maintain the following subaccounts:

2890.1 Premium on Capital Stock.

Record here in separate subdivisions for each class and series of capital stock issued the excess of the cash value of consideration received over the par or stated value and accrued dividends of stock issued together with assessments against stockholders representing payments required in excess of par or stated value.

2890.2 Discount on Capital Stock.

Record here in separate subdivisions for each class and series of capital stock issued, the excess of the par or stated value over the cash value of consideration received, less accrued dividends. Discount applicable to a particular class and series of capital stock may be offset against premiums from the same class and series of capital stock. Discounts and premiums on different classes and series of capital stock shall not be offset. The air carrier may, at its option, record in this subaccount commissions and expenses incurred in the issuance of capital stock and may charge balance sheet account 2940 Unappropriated Retained Earnings to the extent capital stock expense may exceed any existing balance of paid-in capital over the par or stated value of capital stock.

2890.3 Other Capital Stock Transactions.

Record here, in separate subdivisions for each class and series, the balance of credits arising from the reacquisition and resale or cancellation of capital stock, credits arising from a reduction in the par or stated value

of capital stock or the net balance of credits or debits resulting from other paid-in capital transactions, not provided for elsewhere, which is identified with particular classes and series of capital stock.

2890.9 Miscellaneous Paid-In Capital.

Record here all other paid-in capital credits or debits not identified with particular classes and series of capital stock such as capital provided by donations from company stockholders and other paid-in capital which at the effective date of this system of accounts cannot be classified as to the source thereof.

2930 Appropriations of Retained Earnings.

(a) Record here amounts of retained earnings segregated for contingencies and other special purposes, including retained earnings segregated in connection with self-insurance plans.

(b) Charges resulting from the materialization of events for which retained earnings have been appropriated shall not be entered in this account but in appropriate profit and loss accounts. Balances in this account shall be returned to balance sheet account 2940 Unappropriated Retained Earnings when the reason for which created no longer exists.

2940 Unappropriated Retained Earnings.

(a) Record here the net income or loss from operations of the air carrier and dividends declared on capital stock.

(b) This account shall not be charged with dividends on treasury stock but may be charged with dividends on capital stock of the air carrier held in special funds not under the control of the air carrier. If a dividend is not payable in cash the values entered in this account shall be completely described.

(c) Delayed credits or charges to income shall not be entered in this account directly but in appropriate profit and loss accounts.

(d) Net income or loss accounted for during the current fiscal year shall not be entered in this account until the close of the fiscal year. Individual proprietorships or partnerships may clear net income or loss accounted for during the year directly to balance sheet account 2890 Other Paid-In Capital, or optionally, to this account for subsequent transfer to balance sheet account 2890 Other Paid-In Capital.

2990 Treasury Stock.

(a) Charge here the cost of capital stock issued by the air carrier reacquired by it and not retired or canceled. Capital credits or debits resulting from the resale or retirement of capital stock held in this account shall be entered in balance sheet account 2890.3 Other Capital Stock Transactions.

(b) Separate records shall be established for each class and series of capital stock held in this account.

PROFIT AND LOSS CLASSIFICATIONS
Section 7—Chart of Profit and Loss Accounts

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING REVENUES			
01 Passenger.			
01.1 Passenger—first class	31, 32	31, 32	31, 32
01.2 Passenger—coach	31, 32	31, 32	31, 32
02 United States mail.			
02.1 Priority	31, 32	31, 32	31, 32
02.2 Nonpriority	31, 32	31, 32	31, 32
03 Foreign Mail	31, 32	31, 32	31, 32
06 Property.			
06.1 Express	31, 32	31, 32	31, 32
06.2 Freight	31, 32	31, 32	31, 32
06.3 Excess passenger baggage	31, 32	31, 32	31, 32
07 Charter and special.			
07.1 Passenger	32	32	32
07.2 Property	32	32	32
08 Section 406 subsidy	41	41	41
09 Foreign exchange fluctuation adjustments	46	46	46
10 Hotel, restaurant and food service.			
10.1 Gross revenues	46	46	46
10.2 Depreciation expense	46	46	46
10.3 Other expenses	46	46	46
11 Rents.			
11.1 Gross revenues	46	46	46
11.2 Depreciation expense	46	46	46
11.3 Other expenses	46	46	46
12 Limousine service.			
12.1 Gross revenues	46	46	46
12.2 Depreciation expense	46	46	46
12.3 Other expenses	46	46	46
13 Interchange sales—associated companies.			
13.1 Gross revenues	46	46	46
13.2 Depreciation expense	46	46	46
13.3 Other expenses	46	46	46
14 General service sales—associated companies.			
14.1 Gross revenues	46	46	46
14.2 Depreciation expense	46	46	46
14.3 Other expenses	46	46	46
15 Interchange sales—outside.			
15.1 Gross revenues	46	46	46
15.2 Depreciation expense	46	46	46
15.3 Other expenses	46	46	46
16 General service sales—outside.			
16.1 Gross revenues	46	46	46
16.2 Depreciation expense	46	46	46
16.3 Other expenses	46	46	46
17 Air cargo services.			
17.1 Gross revenues	46	46	46
17.2 Depreciation expense	46	46	46
17.3 Other expenses	46	46	46
18 Other incidental revenues.			
18.1 Gross revenues	46	46	46
18.2 Depreciation expense	46	46	46
18.3 Other expenses	46	46	46
19 Other operating revenues.			
19.1 Reservations cancellation fees	31, 32	31, 32	31, 32
19.9 Miscellaneous operating revenues	31, 32, 41	31, 32, 41	31, 32, 41
OPERATING EXPENSES			
21 General management personnel	53, 69	53, 55, 64, 67, 68	53, 55, 61, 62, 63, 65, 66, 68
23 Pilots and copilots	51	51	51
24 Other flight personnel	51, 69	51, 55	51, 55
25 Maintenance labor.			
25.1 Labor—airframes		52	52
25.2 Labor—aircraft engines		52	52
25.3 Labor—other flight equipment		52	52
25.6 Labor—flight equipment	52		
25.9 Labor—ground property and equipment	52, 53	52, 53	52, 53
26 Aircraft and traffic handling personnel	69		
26.1 General aircraft and traffic handling personnel		64, 67	61, 62, 63, 65
26.2 Aircraft control personnel		64	61
26.3 Passenger handling personnel		64, 67	62, 65
26.4 Cargo handling personnel		64, 67	62, 65

RULES AND REGULATIONS

PROFIT AND LOSS CLASSIFICATION—Continued

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING EXPENSES—continued			
28 Trainees, instructors and unallocated shop labor.			
28.1 Trainees and instructors	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
28.2 Unallocated shop labor	53	53	53.
30 Communications personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
31 Record keeping and statistical personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
32 Lawyers and law clerks	69	68	68.
33 Traffic solicitors	69	67	65.
34 Purchasing personnel	53, 69	53, 68	53, 68.
35 Other personnel	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
36 Personnel expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
37 Communications purchased	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
38 Light, heat, power and water	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
39 Traffic commissions	69	67	65.
39.1 Commissions—passenger		67	65.
39.2 Commissions—property		68	68.
40 Legal fees and expenses	69	68	68.
41 Professional and technical fees and expenses	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 68.
42 General services purchased—associated companies.		52	52.
42.1 Airframe repairs—associated companies		52	52.
42.2 Aircraft engine repairs—associated companies		52	52.
42.3 Other flight equipment repairs—associated companies		52	52.
42.4 Flight equipment repairs—associated companies		52	52.
42.7 Aircraft interchange charges—associated companies	51, 52	51, 52	51, 52.
42.8 General interchange service charges—associated companies	52, 69	52, 55, 64, 67, 68.	52, 55, 61, 62, 63, 65, 66, 68.
42.9 Other services—associated companies	52, 53, 69	52, 53, 55, 64, 67, 68.	52, 53, 55, 61, 62, 63, 65, 66, 68.
43 General services purchased—outside.		52	52.
43.1 Airframe repairs—outside		52	52.
43.2 Aircraft engine repairs—outside		52	52.
43.3 Other flight equipment repairs—outside		52	52.
43.6 Flight equipment repairs—outside	52	52	52.
43.7 Aircraft interchange charges—outside	51, 52	51, 52	51, 52.
43.8 General interchange service charges—outside	52, 69	52, 55, 64, 67, 68.	52, 55, 61, 62, 63, 65, 66, 68.
43.9 Other services—outside	52, 53, 69	52, 53, 55, 64, 67, 68.	52, 53, 55, 61, 62, 63, 65, 66, 68.
44 Landing fees	69	64	61.
45 Aircraft fuels and oils	51	51	51.
45.1 Aircraft fuels		51	51.
45.2 Aircraft oils		51	51.
46 Maintenance materials:			
46.1 Airframes		52	52.
46.2 Aircraft engines		52	52.
46.3 Other flight equipment		52	52.
46.6 Flight equipment	52	52	52.
46.9 Ground property and equipment	52, 53	52, 53	52, 53.
47 Rentals	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
49 Shop and servicing supplies	53, 69	53, 64	53, 61.
50 Stationery, printing and office supplies	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
51 Passenger food expense	69	55	55.
53 Other supplies	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
54 Inventory adjustments	53, 69	53, 55	53, 55.

PROFIT AND LOSS CLASSIFICATION—Continued

Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING EXPENSES—continued			
55 Insurance—general.			
55.1 Insurance purchased.	51, 53, 69	51, 53, 68	51, 53, 68.
55.2 Provisions for self-insurance.	51, 53, 69	51, 53, 68	51, 53, 68.
56 Insurance—traffic liability.	69	55, 64	55, 62.
57 Insurance—employee welfare.	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
58 Injuries, loss and damage.	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
59 Tariffs, schedules and timetables.	69	67	65, 66.
60 Advertising.	69	67	66.
62 Other promotional and publicity expenses.	69	67	66.
63 Interrupted trips expense.	69	55	55.
64 Memberships.	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
65 Corporate and fiscal expenses.	69	68	68.
66 Uncollectible accounts.	69	68	68.
67 Clearance, customs and duties.	69	64	61, 62.
68 Taxes—payroll.	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
69 Taxes—other than payroll.	51, 69	51, 68	51, 68.
71 Other expenses.	51, 53, 69	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62, 63, 65, 66, 68.
72 Flight equipment airworthiness provisions.			
72.1 Airworthiness reserve provisions—airframes.	52, 53	52, 53	52, 53.
72.2 Airworthiness reserve charges—airframes (credit).	52, 53	52, 53	52, 53.
72.3 Airworthiness reserve provisions—aircraft engines.	52, 53	52, 53	52, 53.
72.4 Airworthiness reserve charges—aircraft engines (credit).	52, 53	52, 53	52, 53.
73 Provisions for obsolescence and deterioration—expendable parts.			
73.1 Current provisions.	70	70	70.
73.2 Inventory decline credits.	70	70	70.
74 Amortizations.			
74.1 Developmental and preoperating expenses.	70	70	70.
74.2 Other intangibles.	70	70	70.
75 Depreciation.			
75.1 Airframes.	70	70	70.
75.2 Aircraft engines.	70	70	70.
75.3 Airframe parts.	70	70	70.
75.4 Aircraft engine parts.	70	70	70.
75.5 Other flight equipment.	70	70	70.
75.6 Flight equipment.	70	70	70.
75.7 Maintenance equipment and hangars.	70	70	70.
75.8 General ground property.	70	70	70.
77 Uncleared expense credits.			
77.8 Uncleared interchange expense credits.	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
77.9 Other uncleared expense credits.	53, 69	53, 55, 64, 67, 68.	53, 55, 61, 62, 63, 65, 66, 68.
78 Direct maintenance—flight equipment.	52	52	52.
79 Applied burden Dr/Cr.			
79.6 Flight equipment.	52 Dr, 53 Cr.	52 Dr, 53 Cr.	52 Dr, 53 Cr.
79.8 General ground property.	52 Dr, 53 Cr.	52 Dr, 53 Cr.	52 Dr, 53 Cr.
NONOPERATING INCOME AND EXPENSES			
80 Imputed interest capitalized.			
80.1 Imputed interest capitalized—credit.	81	81	81.
80.2 Imputed interest deferred—debit.	81	81	81.
80.3 Imputed interest deferred—credit.	81	81	81.
81 Capital gains and losses.			
81.1 Capital gains and losses—operating property.	81	81	81.
81.2 Capital gains and losses—other.	81	81	81.
82 Unapplied cash discounts.	81	81	81.
84 Income from subsidiary companies and dividend income.			
84.1 Income from subsidiary companies.	81	81	81.
84.2 Dividend income—other than subsidiary companies.	81	81	81.
84.3 Dividend income.	81	81	81.
85 Foreign exchange adjustments.	81	81	81.
86 Income from nontransport ventures.	81	81	81.

PROFIT AND LOSS CLASSIFICATION—Continued
Section 7—Chart of Profit and Loss Accounts—Continued

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
NONOPERATING INCOME AND EXPENSES—continued			
87 Interest and debt expense.	81	81	81.
87.1 Interest on debt principal.	81	81	81.
87.2 Interest capitalized—credit.	81	81	81.
87.3 Amortization of discount and expense on debt.	81	81	81.
87.4 Amortization of premium on debt.	81	81	81.
88 Miscellaneous nonoperating credits.	81	81	81.
88.1 Intercompany transaction adjustment—credit.	81	81	81.
88.9 Other.	81	81	81.
89 Miscellaneous nonoperating debits.	81	81	81.
89.1 Intercompany transaction adjustment—debit.	81	81	81.
89.9 Other.	81	81	81.
INCOME TAXES			
91 Provision for income taxes.	91	91	91.
91.1 Income taxes before investment tax credits.	91	91	91.
91.2 Investment tax credits utilized.	91	91	91.
92 Provisions for deferred Federal income taxes.	91	91	91.
92.1 Current provisions for deferred taxes.	91	91	91.
92.2 Application of deferred taxes.	91	91	91.
92.3 Adjustment of deferred taxes.	91	91	91.
93 Investment tax credits deferred and amortized.	91	91	91.
93.1 Investment tax credits deferred.	91	91	91.
93.2 Amortization of deferred investment tax credits.	91	91	91.
SPECIAL ITEMS			
96 Special income credits and debits (net).	97	97	97.
97 Special income tax credits and debits (net).	97	97	97.

Section 8—General

(a) The profit and loss accounts are designed to reflect, through natural groupings, the elements entering into the derivation of income or loss accruing to the proprietary interests during each accounting period.

(b) The prescribed system of accounts provides for the co-ordinate grouping of all revenues and expenses in terms of both major natural objectives and functional activities and for subdivision of both to provide varying degrees of detail for air carriers of differing accounting capacities and/or requirements.

(c) The detailed objective accounts established for each air carrier group, by the dual subdivision of profit and loss elements in terms of both natural objectives and functional activities, are set forth in section 7, Chart of Profit and Loss Accounts.

(d) The prescribed system of accounts provides generally that profit and loss elements shall be grouped in accordance with their inherent characteristics within the following primary classifications:

(1) *Operating revenues.* (i) This primary classification shall include revenues of a character usually and ordinarily derived from the performance of air transportation, and net revenues from services performed incidental to the performance of air transportation, which relate to services performed during the current accounting year, and adjustments of a recurrent nature applicable to services performed in prior accounting years. (See section 2-7.)

(ii) Operating revenues shall be subclassified in terms of functional activities as provided in section 9.

(2) *Operating expenses.* (i) This primary classification shall include ex-

penses of a character usually and ordinarily incurred in the performance of air transportation which are attributable to services performed during the current accounting year, and adjustments of a recurring nature attributable to services performed in prior accounting years. (See section 2-7.)

(ii) Operating expenses shall be subclassified in terms of functional activities as provided in sections 10 and 11.

(3) *Nonoperating income and expense—net.* This primary classification (8100) shall include income and loss incident to commercial ventures not inherently related to the performance of the common carrier air transport services of the accounting entity; other revenues and expenses attributable to financing or other activities which are extraneous to and not an integral part of air transportation or its incidental services; and special recurrent items of a nonperiod nature.

(4) *Income taxes for current period.* This primary classification (9100) shall include provisions for Federal, state, local and foreign taxes which are based upon the net income of the air carrier for the current period together with refunds for excess profits credits or carry back of losses and increases or reductions of income taxes of prior years of a magnitude which will not distort net income of the current accounting year. Income taxes applicable to special income credits or debits recorded in profit and loss classification 9700 Special Items, and other material income tax items not allocable to income of the current accounting year, shall not be included in this classification but in profit and loss classification 9700 Special Items.

(5) *Special items.* This primary classification (9700) shall include ex-

traordinary credits and debits, exclusive of ordinary adjustments of a recurring nature, that are of sufficient magnitude to materially distort the total operating revenues or total operating expenses and permit misleading inferences to be drawn therefrom (see sec. 2-7).

Section 9—Functional Classification—Operating Revenues

3900 Transport Revenues.

This classification is prescribed for all air carrier groups and shall include all revenues from the air transportation of traffic of all classes. It shall consist of the following subclassifications:

3100 Scheduled Services.

This subclassification shall include revenues from the transportation by air of traffic between points prescribed in certificates of public convenience and necessity issued by the Civil Aeronautics Board and held by the air carrier, for the transportation of individual passengers or cargo shipments (as opposed to charter of aircraft) on flights performed pursuant to published schedules, filed with the Civil Aeronautics Board, and extra section or other flights performed as an integral part of the air carrier's published flight schedules.

3200 Nonscheduled Services.

This subclassification shall include revenues from the transportation by air of traffic between points not prescribed in certificates of public convenience and necessity issued by the Civil Aeronautics Board and held by the air carrier; from the performance of aircraft charter services; and from the performance of other air transportation services not constituting an integral part of services performed pursuant to published schedules filed with the Civil Aeronautics Board. Flights performed as extra sections of flights performed pursuant to published schedules shall not be included in this subclassification but in subclassification 3100 Scheduled Services.

4900 Nontransport Revenues.

This classification is prescribed for all air carrier groups and shall include all revenues, grants or aids for providing air transportation facilities, but not as direct payment for the carriage of traffic, and all revenues and fees, less expenses directly associated with the performance of services which grow from and are incidental to air transportation services performed by the air carrier. It shall consist of the following subclassifications:

4100 Federal Subsidy.

This subclassification shall include revenues from the United States Government as direct grants or aids for providing air transportation facilities. It shall not include revenues from the carriage of traffic or the performance of other specific contractual services for the United States Government.

4600 Incidental Revenues—Net.

(a) This subclassification shall include net revenues from services which grow from and are incidental to the air transportation services performed by the air carrier.

(b) This subclassification shall include revenues, less related expenses, from only those services which are performed as an incidental adjunct to air transportation services and which provide improved utilization of plant and organization required for the performance of air transportation services. Revenues and expenses related to serv-

ices of a magnitude or scope beyond an incidental adjunct to air transportation services shall not be included in this subclassification (see section 1-6(b)). Revenues and expenses applicable to such services shall be included in profit and loss classification 8100 Nonoperating Income and Expense—Net, and the accounting modified to conform with that of a nontransport division whether or not the service is organized as a nontransport division.

(c) This subclassification shall embrace all expense items directly identified with particular incidental services performed as well as amounts representing increases in costs incurred in common with the air transport service, to the extent such increases result from the added incidental services, as well as a pro rata share of the costs incurred by the air carrier in operating facilities which are used jointly with others. As a general rule, this subclassification shall not include those costs, other than joint facilities costs, which would remain as an essential part of the air transport services if the incidental service were terminated.

(d) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement of accounting procedures setting forth methods used in assigned or prorating expenses between incidental services and transport operations.

Section 10—Functional Classification—Operating Expenses of Group I Air Carriers

5100 Flying Operations.

(a) This function shall include expenses incurred directly in the in-flight operation of aircraft and expenses attaching to the holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status.

(b) This function shall not include expenses incurred in repairing, servicing or storing aircraft, expenses incurred on the ground in protecting and controlling the in-flight movement of aircraft, or the compensation of ground personnel and other expenses incurred in scheduling or preparing aircraft or aircraft operational personnel for flight assignment. Such expenses shall be included in function 5400 Maintenance or function 6900 General Services and Administration.

5400 Maintenance.

(a) This function shall include all expenses, both direct and indirect, specifically identifiable with the repair and upkeep of property and equipment as may be required to meet operating and safety standards; in inspecting or checking property and equipment in accordance with prescribed operational standards; and in polishing or cleaning property and equipment when such polishing or cleaning is not an incidental routine in connection with the normal productive use of property and equipment.

(b) This function shall include the cost of direct labor, materials, and outside services and maintenances overhead or other costs specifically associated with maintenance operations regardless of the location at which incurred.

(c) This function shall not include costs incurred in the construction, im-

provement, or modification of property and equipment even when necessitated to meet new or changed operating or safety standards. Such costs shall be charged to appropriate property and equipment accounts.

(d) Costs incurred by aircraft handling personnel in visual inspection, minor check and servicing of aircraft, while in line service, shall not be included in this function when performed as an incidental routine during the normal productive use of aircraft but shall be included in function 6900 General Services and Administration.

(e) Each Group I air carrier shall maintain the following subfunctions:

5200 Direct Maintenance.

a. This subfunction shall include the costs of labor, materials and outside services consumed directly in periodic maintenance operations and the maintenance and repair of property and equipment, of all types and classes, regardless of the location at which incurred, exclusive of costs specifically identified with maintenance of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment and 1640.1 Maintenance Buildings and Improvements which shall be included in subfunction 5300 Maintenance Burden.

b. The cost of direct labor, materials and supplies, as well as outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running job orders or tickets covering repairs and periodic inspections except servicing. Where a number of like items are maintained on a group basis, it will be necessary to maintain only one job order for each group.

c. When supervisory personnel such as crew chiefs, inspectors and foremen are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the appropriate direct labor accounts. The cost of transporting property to and from shops for repair and maintenance shall be included as a part of the cost of the materials and supplies used in the repair or maintenance of such property and equipment. Transportation charges, customs and duties, etc; shall be included in the cost of repairs and maintenance operations when made by outside parties.

5300 Maintenance Burden.

a. This subfunction shall include all overhead or general expenses which are specifically identified with activities involved in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, including the cost of direct labor, materials and outside services identified with the maintenance and repair of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment, and 1640.1 Maintenance Buildings and Improvements. It shall include expenses specifically related to the administration of maintenance stocks and stores, the keeping of pertinent maintenance operations records, and the scheduling, controlling, planning and supervision of maintenance operations.

b. This subfunction shall not include expenses related to financial accounting, purchasing or other overhead activities which are of general applicability to all operating functions. Such expenses shall be included in function 6900 General Services and Administration.

c. This subfunction shall include only those expenses attributable to the current

air transport operations of the air carrier. Maintenance burden associated with capital projects of the air carrier, other than overhauls of airframes and aircraft engines, shall be allocated thereto in accordance with the provisions of section 2-9(b). Maintenance burden incurred in common with services to other companies and operating entities shall be allocated thereto on a pro rata basis unless such services are so infrequent in performance or small in volume as to result in no appreciable demands upon the air carrier's maintenance facilities. When overhauls of airframes or aircraft engines are as a consistent practice accounted for on an accrual basis instead of expensed directly, maintenance burden shall be allocated thereto on a pro rata basis. Standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at the close of each fiscal year, at least. When the actual burden rate for the year differs materially from the standard burden rate applied, adjustment shall be made to reflect the actual cost incurred for the full accounting year. Allocations of maintenance burden to capital projects, and service sales to others shall be effected through the individual maintenance burden objective accounts, except that the air carrier may effect such allocations by credits to profit and loss account 77 Uncleared Expense Credits under circumstances in which the use of that account will not undermine the significance of the individual maintenance burden objective accounts in terms of the expense levels associated with the air carrier's air transport services. Maintenance burden allocated to overhauls shall be credited to profit and loss subaccounts 5372.2 or 5372.7 Airworthiness Reserve Charges. In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement in which procedures followed in allocating maintenance burden between current transport services, overhauls, capital projects and outside services are fully explained.

6900 General Services and Administration.

This function shall include expenses incurred on the ground in controlling and protecting the in-flight movement of aircraft; landing, handling, or servicing aircraft on the ground; selling transportation; servicing and handling traffic of all classes; promoting the development of traffic; administering operations generally; and all other expenses not otherwise provided for in functions 5100 Flying Operations, 5400 Maintenance and 7000 Depreciation and Amortization.

7000 Depreciation and Amortization.

This function shall include all charges to expense to record losses suffered through current exhaustion of the serviceability of property and equipment due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs as well as losses in serviceability occasioned by obsolescence, supersession, discoveries, change in popular demand or action by public authority. It shall also include charges for the amortization of capitalized developmental and preoperating costs and other intangible assets applicable to the performance of air transportation. (See sections 5-5 and 6-1830 and 1880.)

Section 11—Functional Classification—Operating Expenses of Group II and Group III Air Carriers

5100 Flying Operations.

(a) This function shall include expenses incurred directly in the in-flight operation of aircraft and expenses attaching to the holding of aircraft and aircraft operational personnel in readiness for assignment to an in-flight status.

(b) This function shall not include expenses incurred in repairing, servicing or storing aircraft, expenses incurred on the ground in protecting and controlling the in-flight movement of aircraft, or compensation of ground personnel and other expenses incurred in scheduling or preparing aircraft or aircraft operational personnel for flight assignment. Such expenses shall be included in function 5400 Maintenance, or function 6400 Aircraft and Traffic Servicing.

5400 Maintenance.

(a) This function shall include all expenses, both direct and indirect, incurred in the repair and upkeep of property and equipment as may be required to meet operating and safety standards; in inspecting or checking property and equipment in accordance with prescribed operational standards; and in polishing or cleaning property and equipment when such polishing or cleaning is not an incidental routine in connection with the normal productive use of property and equipment.

(b) This function shall include the cost of direct labor, materials, and outside services and maintenance overhead or other costs associated with maintenance operations regardless of the location at which incurred.

(c) This function shall not include costs incurred in the construction, improvement, or modification of property and equipment even when necessitated to meet new or changed operating or safety standards. Such costs shall be charged to appropriate property and equipment accounts.

(d) Costs incurred by aircraft handling personnel in visual inspection, minor check and servicing of aircraft, while in line service, shall not be included in this function when performed as an incidental routine during the normal productive use of aircraft but shall be included in function 6400 Aircraft and Traffic Servicing.

(e) Both Group II air carriers and Group III air carriers shall maintain the following subfunctions:

5200 Direct Maintenance.

a. This subfunction shall include the costs of labor, materials and outside services consumed directly in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, regardless of the location at which incurred, exclusive of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment and 1640.1 Maintenance Buildings and Improvements, which shall be included in subfunction 5300 Maintenance Burden.

b. The cost of direct labor, materials and supplies, as well as outside repairs, used in the maintenance and repair of property and equipment shall be recorded on running job orders or tickets covering repairs and periodic inspections except servicing. Where a number of like items are maintained on a group basis, it will be necessary to maintain only one job order for each group.

c. When supervisory personnel such as crew chiefs, inspectors and foremen are engaged in direct labor in connection with equipment maintenance, a proportionate part of their salaries and wages shall be charged to the appropriate direct labor accounts. The cost of transporting property to and from shops for repair and maintenance shall be included as a part of the cost of the materials and supplies used in the repair or maintenance of such property and equipment. Transportation charges, customs and duties, etc., shall be included in the cost of repairs and maintenance operations when made by outside parties.

5300 Maintenance Burden.

a. This subfunction shall include all overhead or general expenses used directly in the activities involved in periodic maintenance operations and the maintenance and repair of property and equipment of all types and classes, including the cost of direct labor, materials and outside services used in the maintenance and repair of property and equipment carried in balance sheet accounts 1634 Maintenance and Engineering Equipment, and 1640.1 Maintenance Buildings and Improvements. It shall include expenses related to the administration of maintenance stocks and stores, the keeping of pertinent maintenance operations records, and the scheduling, controlling, planning and supervision of maintenance operations.

b. This subfunction shall not include expenses related to financial accounting, purchasing or other overhead activities which are of general applicability to all operating functions. Such expenses shall be included in function 6800 General and Administrative.

c. This subfunction shall include only those expenses attributable to the current air transport operations of the air carrier. Maintenance burden associated with capital projects of the air carrier, other than overhauls of airframes and aircraft engines, shall be allocated thereto in accordance with the provisions of section 2-9(b). Maintenance burden incurred in common with services to other companies and operating entities shall be allocated thereto on a pro rata basis unless such services are so infrequent in performance or small in volume as to result in no appreciable demands upon the air carrier's maintenance facilities. When overhauls of airframes or aircraft engines are as a consistent practice accounted for on an accrual basis instead of expensed directly, maintenance burden shall be allocated thereto on a pro rata basis. Standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at the close of each fiscal year, at least. When the actual burden rate for the year differs materially from the standard burden rate applied, adjustment shall be made to reflect the actual costs incurred for the full accounting year. Allocations of maintenance burden to capital projects, and service sales to others shall be effected through the individual maintenance burden objective accounts, except that the air carrier may effect such allocations by credits to profit and loss account 77 Uncleared Expense Credits under circumstances in which the use of that account will not undermine the significance of the individual maintenance burden objective accounts in

terms of the expense levels associated with the air carrier's air transport services. Maintenance burden allocated to overhauls shall be credited to profit and loss subaccounts 5372.2 or 5372.7 Airworthiness Reserve Charges. In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement in which procedures followed in allocating maintenance burden between current transport services, overhauls, capital projects and outside services are fully explained.

5500 Passenger Service.

This function shall include all expenses chargeable directly to activities contributing to the comfort, safety and convenience of passengers while in flight and when flights are interrupted. It shall not include expenses incurred in enplaning or deplaning passengers, or in securing and selling passenger transportation and caring for passengers prior to entering a flight status. Such expenses shall be included in functions 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales, respectively.

6400 Aircraft and Traffic Servicing.

(a) This function shall include the compensation of ground personnel and other expenses incurred on the ground incident to the protection and control of the in-flight movement of aircraft, scheduling and preparing aircraft operational crews for flight assignment, handling and servicing aircraft while in line operation, servicing and handling traffic on the ground, subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation, and in-flight expenses of handling and protecting all nonpassenger traffic including passenger baggage.

(b) This function shall include only those aircraft servicing and cleaning expenses which are incurred as an incidental routine during the normal productive use of aircraft in line operations. It shall not include expenses incurred in the repair and maintenance of property and equipment, or in checking or inspecting property and equipment in accordance with prescribed operational standards when such activities are not an incidental routine during the normal productive use of aircraft. Such expenses shall be included in function 5400 Maintenance.

(c) This function shall not include expenses incurred in securing traffic, arranging aircraft space for traffic sold or in issuing documents confirming traffic sales and establishing the air carrier's responsibilities to provide air transportation. Such expenses shall be included in function 6700 Promotion and Sales. However, for purposes of this system of accounts, expenses attributable to the operation of airport traffic offices, excluding reservation centers, shall be included in this function. Expenses attributable to the operation of reservation or aircraft space control centers shall be included in function 6700 Promotion and Sales regardless of the location at which incurred.

(d) Group III air carriers shall further subdivide this function as follows:

6100 Aircraft Servicing.

a. This subfunction shall include the compensation of ground personnel and other expenses incurred on the ground incident to the protection and control of the in-flight movement of aircraft; scheduling or preparing aircraft operational crews for flight assignment; landing and parking aircraft; visual inspection, routine checking, servicing and fueling of aircraft; and other expenses incurred on the ground incident to readying for arrival and take-off of aircraft.

6200 Traffic Servicing.

a. This subfunction shall include the compensation of ground personnel and other expenses incurred on the ground incident to handling traffic of all types and classes on the ground subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation. Expenses attributable to the operation of airport traffic offices shall also be included in this subfunction; expenses attributable to reservations centers shall be excluded. It shall include expenses incurred in both enplaning and deplaning traffic as well as expenses incurred in preparation for enplanement and all expenses subsequent to deplanement.

b. This subfunction shall also include costs incurred in handling and protecting all nonpassenger traffic while in flight. It shall not include expenses incurred in contributing to the comfort, safety and convenience of passengers while in flight or when flights are interrupted. Such expenses shall be included in function 5500 Passenger Service.

6300 Servicing Administration.

a. This subfunction shall include expenses of a general nature incurred in performing supervisory or administrative activities relating solely and in common to subfunctions 6100 Aircraft Servicing and 6200 Traffic Servicing.

b. This subfunction shall not include supervisory or administrative expenses which can be charged directly to subfunction 6100 Aircraft Servicing or subfunction 6200 Traffic Servicing. Nor shall this subfunction include expenses of a general administrative character and of significant amount regularly contributing to operating functions generally. Such expenses shall be included in function 6800 General and Administrative.

c. The expenses in this subfunction shall be recorded separately for each geographic location at which incurred.

6700 Promotion and Sales.

(a) This function shall include expenses incurred in creating public preference for the air carrier and its services; stimulating the development of the air transport market; and promoting the air carrier or developing air transportation generally.

(b) It shall also include the compensation of personnel and other expenses incident to documenting sales; expenses incident to controlling and arranging or confirming aircraft space for traffic sold; expenses incurred in direct sales solicitation and selling of aircraft space; and expenses incurred in developing tariffs and schedules for publication.

(c) This function shall not include expenses incurred in handling traffic subsequent to the issuance of documents establishing the air carrier's responsibility to provide air transportation which shall be included in functions 5500 Passenger Service and 6400 Aircraft and Traffic Servicing. However, for purposes

of this system of accounts, expenses attributable to the operation of airport traffic offices, excluding reservation centers, shall be included in function 6400 Aircraft and Traffic Servicing. Expenses attributable to the operation of reservation or aircraft space control centers shall be included in function 6700 Promotion and Sales regardless of the location at which incurred.

(d) Group III air carriers shall subdivide this function as follows:

6500 Reservations and Sales.

This subfunction shall include expenses incident to direct sales solicitation, documenting sales, controlling and arranging or confirming aircraft space sold, and in developing tariffs and schedules for publication. It shall also include expenses attributable to the operation of city traffic offices. Expenses incurred in stimulating traffic and promoting the air carrier or air transportation generally shall not be included in this subfunction but in subfunction 6800 Advertising and Publicity.

6600 Advertising and Publicity.

a. This subfunction shall include expenses incurred in creating public preference for the air carrier and its services; stimulating development of the air transport market; and promoting the air carrier or developing air transportation generally.

b. This subfunction shall not include expenses incurred in direct sales solicitation and selling of aircraft space. Such costs shall be included in subfunction 6500 Reservations and Sales.

6800 General and Administrative.

(a) This function shall include expenses of a general corporate nature and expenses incurred in performing activities which contribute to more than a single operating function such as general financial accounting activities, purchasing activities, representation at law, and other general operational administration, which are not directly applicable to a particular function.

(b) This function shall not include expenses incurred directly in promoting traffic or in promoting relations of the air carrier generally with the public which shall be included in function 6700 Promotion and Sales. Nor shall this function include expenses, regularly applicable in large part to a specific function, which contribute only incidentally, or in small amount, to various other functions. Such expenses when of such size as will not distort the function to which predominantly related, shall be included in the specific function to which regularly related. However, expenses of a general administrative character and of significant amount regularly contributing to operating functions generally shall be included in this function.

7000 Depreciation and Amortization.

This function shall include all charges to expense to record losses suffered through current exhaustion of the serviceability of property and equipment due to wear and tear from use and the action of time and the elements, which are not replaced by current repairs, as well as losses in serviceability occasioned by obsolescence, supersession, discoveries, change in popular demand or action by

public authority. It shall also include charges for the amortization of capitalized developmental and preoperating costs, and other intangible assets applicable to the performance of air transportation. (See section 5-5 and sections 6-1830 and 1880.)

Section 12—Objective Classification—Operating Revenues

00 General Instructions.

(a) The objective accounts established in this section are prescribed for all air carrier groups. Each air carrier shall credit the gross revenues accruing from services ordinarily associated with air transportation or its incidental services, to the appropriate account established for each revenue source. Expenses incident to transport services from which revenue is earned shall not be charged to the related revenue account. However, direct costs of forwarding traffic as a result of interrupted trips, and refunds of sales, shall be charged to the applicable revenue account.

(b) Revenues accruing from transactions conducted in foreign currencies shall be credited to the applicable objective accounts at the United States dollar equivalent, at currently realizable, or officially prescribed rates of exchange, of foreign currencies received or due the air carrier from sales. (See section 2-3.)

(c) Expenses directly associated with the performance of incidental services shall be charged to the applicable incidental revenue account. (See section 9-4600.) Except as provided in operating expense objective account 77 Uncleared Expense Credits, all expenses allocated to incidental services shall be cleared by appropriate credits to the applicable operating expense objective accounts.

01 Passenger.

(a) Record here revenue from the transportation of passengers by air including infants transported at reduced fares, berth charges, surcharges for premium services and other similar charges. Service charges for persons travelling on a nonrevenue basis shall be recorded in objective account 19 Other Operating Revenues.

(b) This account shall be subdivided as follows by all air carrier groups:

01.1 Passenger—First Class.

Record here revenue from the air transportation of passengers moving at either standard fares or premium fares, or at reduced fares not predicated upon the use of aircraft space specifically separated from first class, and for whom standard or premium quality services are provided.

01.2 Passenger—Coach.

Record here revenue from the air transportation of passengers moving at special fares reduced from the first class or premium fares which are predicated upon both the operation of specifically designated aircraft space and a reduction in the quality of service regularly and ordinarily provided.

02 United States Mail.

(a) Record here revenue from the transportation by air of United States

mail at service mail rates established by the Civil Aeronautics Board.

(b) Fines and penalties imposed by the United States Government in connection with the carriage of mail shall not be charged to this account but to profit and loss account 89 Miscellaneous Nonoperating Debits.

(c) This account shall be subdivided as follows by all air carrier groups:

02.1 Priority.

Record here revenue from mail-bearing postage at rates established specifically for air mail service or mail moving at service transportation rates equivalent to those established for mail bearing the full air mail postage.

02.2 Nonpriority.

Record here revenue from mail moving at service transportation rates lower than those established for mail bearing postage established specifically for air mail service.

03 Foreign Mail.

(a) Record here revenue from the transportation by air of mail other than United States mail.

(b) Fines and penalties imposed by foreign governments shall not be charged to this account but to profit and loss account 89 Miscellaneous Nonoperating Debits.

06 Property.

(a) Record here revenue from the transportation by air of property including excess passenger baggage.

(b) Revenues resulting from services incidental to the transportation services such as collection of shipper's interest insurance premiums and charges and fees for service such as pick-up and delivery, assembly and distribution, storage and handling, and C.O.D. collection shall not be credited to this account but to profit and loss account 17 Air Cargo Services.

(c) This account shall be subdivided as follows by all air carrier groups:

06.1 Express.

Record here revenue from the transportation by air of express as defined in tariffs filed with the Civil Aeronautics Board.

06.2 Freight.

Record here revenue from the transportation by air of property other than express and passenger baggage.

06.3 Excess Passenger Baggage.

Record here revenue from the transportation by air of passenger baggage in excess of fixed free weight.

07 Charter and Special.

(a) Record here the revenue from nonscheduled air transport services (except as otherwise required by profit and loss Account 86 Income from Nontransport Ventures) where the party receiving the transportation obtains exclusive use of an aircraft at either published tariff or other contractual rates and the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, the accounting air carrier. This account shall also include revenues from air transport serv-

ices other than inter-airport services, whether scheduled or nonscheduled, where each passenger or shipment receiving transportation is individually documented and does not obtain exclusive use of an aircraft.

(b) This account shall not include revenues or fees received from other air carriers for flight facilities furnished or operated by the accounting air carrier where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, other air carriers. Such revenues and related expenses shall be included in profit and loss account 11 Rents, 13 Interchange Sales—Associated Companies, 15 Interchange Sales—Outside, or 18 Other Incidental Revenues, as appropriate.

(c) This account shall be subdivided as follows by all air carrier groups:

07.1 Passenger.

Record here revenue from the transportation of passengers and their personal baggage at rates set forth in passenger charter tariffs.

07.2 Property.

Record here revenue from the transportation of property at rates set forth in property charter tariffs and revenue from the transportation of passengers and property simultaneously at rates set forth in mixed passenger and property charter tariffs.

08 Section 406 Subsidy.

Record here amounts of compensation fixed pursuant to section 406(b) of the Federal Aviation Act which exceed amounts accruing to the air carrier under service mail rates established by the Civil Aeronautics Board for the carriage of United States mail.

09 Foreign Exchange Fluctuation Adjustments.

Record here gains or losses from transactions involving currency conversions resulting from normal, routine, day-to-day fluctuations in rates of foreign exchange in accordance with provisions of section 2-3. Gains or losses of a nonroutine abnormal character shall not be entered in this account but in profit and loss account 85 Foreign Exchange Adjustments.

10 Hotel, Restaurant and Food Service.

(a) Record here revenues from and expenses related to the operation of hotels and restaurants and similar facilities, and from sales of food. (See section 13-51.)

(b) This account shall be subdivided as follows by all air carrier groups:

- 10.1 Gross Revenues.
- 10.2 Depreciation Expense.
- 10.3 Other Expenses.

11 Rents.

(a) Record here revenues from and expenses related to property and equipment owned or leased which has been rented or subleased to others exclusive of associated companies. This account shall not include fees from the use by others of air carrier aircraft under aircraft interchange agreements.

(b) This account shall be subdivided as follows by all air carrier groups:

- 11.1 Gross Revenues.
- 11.2 Depreciation Expense.
- 11.3 Other Expenses.

12 Limousine Service.

(a) Record here revenues from and expenses related to the operation of passenger limousine surface transportation services.

(b) This account shall be subdivided as follows by all air carrier groups:

- 12.1 Gross Revenues.
- 12.2 Depreciation Expense.
- 12.3 Other Expenses.

13 Interchange Sales—Associated Companies.

(a) Record here the revenues or fees from and the expenses related to services provided associated companies by the air carrier under aircraft interchange agreements. This account shall be charged and the applicable operating expense objective accounts shall be credited, except as provided in operating expense objective account 77 Uncleared Expense Credits with the expenses attaching to services provided associated companies under aircraft interchange agreements.

(b) This account shall not include revenues or expenses related to air transportation services performed in the name of and for the account of the accounting air carrier. Such revenues shall be included in applicable transport revenue and operating expense objective accounts.

(c) This account shall be subdivided as follows by all air carrier groups:

- 13.1 Gross Revenues.
- 13.2 Depreciation Expense.
- 13.3 Other Expenses.

14 General Service Sales—Associated Companies.

(a) Record here the revenues, commissions or fees from and expenses related to other than air transportation and aircraft interchange services provided associated companies by the air carrier. This account shall include the contractual fees or other revenues from and expenses related to services provided associated companies in the operation of facilities which are used jointly with associated companies, as well as revenues from and the costs related to the sale of supplies, parts and repairs sold directly or furnished as a part of services to associated companies.

(b) This account shall not include consideration received from sales of property, equipment, materials or supplies when disposed of as a part of a program involving retirement of property and equipment as opposed to routine sales and services to associated companies unless such disposition is conducted as a normal part of the incidental sales activity. Such retirement gains or losses shall be included in capital gains and losses accounts. Maintenance parts, materials or supplies sold as a service to associated companies shall be charged to this account at cost without adjust-

ment of related obsolescence or depreciation reserves.

(c) This account shall be subdivided as follows by all air carrier groups:

- 14.1 Gross Revenues.
- 14.2 Depreciation Expense.
- 14.3 Other Expenses.

15 Interchange Sales—Outside.

(a) Record here the revenues or fees from and the expenses related to services provided other than associated companies by the air carrier under aircraft interchange agreements. This account shall be charged and the applicable operating expense objective accounts shall be credited, except as provided in operating expense objective account 77 Uncleared Expense Credits, with the expenses attaching to services provided other than associated companies under aircraft interchange agreements.

(b) This account shall not include revenues or expenses related to air transportation services performed in the name of and for the account of the accounting air carrier. Such revenues and expenses shall be included in applicable transport revenue and operating expense objective accounts.

(c) This account shall be subdivided as follows by all air carrier groups:

- 15.1 Gross Revenues.
- 15.2 Depreciation Expense.
- 15.3 Other Expenses.

16 General Service Sales—Outside.

(a) Record here the gross revenues, commissions or fees from and expenses related to other than air transportation and aircraft interchange services provided to other than associated companies by the air carrier. This account shall include the contractual fees or other revenues from and expenses related to services provided to other than associated companies in the operation of facilities which are used jointly with others, as well as revenues from and the costs related to the sale of supplies, parts and repairs sold directly or furnished as a part of services to others.

(b) This account shall not include consideration received from sales of property, equipment, materials or supplies when disposed of as a part of a program involving retirement of property and equipment as opposed to routine sales and services to others unless such disposition is conducted as a normal part of the incidental sales activity. Such retirement gain or loss shall be included in capital gains and losses accounts. Maintenance parts, materials or supplies sold as a service to others shall be charged to this account at cost without adjustment of related obsolescence or depreciation reserves.

(c) This account shall be subdivided as follows by all air carrier groups:

- 16.1 Gross Revenues.
- 16.2 Depreciation Expense.
- 16.3 Other Expenses.

17 Air Cargo Services.

(a) Record here fees and other revenues from and expenses related to incidental services performed in connection with cargo shipments such as pick-

up and delivery fees, shipper's interest insurance charges, storage and handling fees, etc.

(b) This account shall be subdivided as follows by all air carrier groups:

- 17.1 Gross Revenues.
- 17.2 Depreciation Expense.
- 17.3 Other Expenses.

18 Other Incidental Revenues.

(a) Record here revenues from and expenses related to incidental services not provided for in profit and loss accounts 10 through 17, inclusive, such as revenues and expenses incident to the operation of flight facilities by the accounting air carrier, except those operated under aircraft interchange agreements, where the remuneration paid by the party receiving transportation accrues directly to, and the responsibility for providing transportation is that of, other air carriers; and revenues and expenses incident to vending machines, parcel rooms, storage facilities, etc.

(b) This account shall include receipts and payments under agreements with other air carriers providing for mutual financial assistance in the case of work stoppages.

(c) Revenues from the renting or leasing of property and equipment to others shall not be included in this account but in profit and loss account 11 Rents.

(d) This account shall be subdivided as follows by all air carrier groups:

- 18.1 Gross Revenues.
- 18.2 Depreciation Expense.
- 18.3 Other Expenses.

19 Other Operating Revenues.

(a) Record here revenues associated with air transportation conducted by the air carrier, not provided for in profit and loss accounts 01 through 09, inclusive, such as revenue from service charges for failure to cancel or for late cancellation of air transportation reservations and revenue from nontransportation service charges collected on both revenue and nonrevenue flights.

(b) Revenues derived from sightseeing, aerial photography, advertising, or other special flights shall not be included in this account but in account 07 Charter and Special.

(c) This account shall be subdivided as follows by all air carrier groups:

- 19.1 Reservations Cancellation Fees.
- 19.9 Miscellaneous Operating Revenue.

Section 13—Objective Classification—Operating Expenses

00 General Instructions.

(a) Each element of expense ordinarily associated with air transportation services shall be charged to the accounts established in this section in accordance with the objectives served by each expenditure. Basic objective accounts, applicable to all air carrier groups, are established for recording all expense elements. These basic accounts are in certain areas subdivided to provide greater detail for indicated air carrier groups.

(b) To the end that the integrity of the prescribed objective accounts shall not be impaired, each air carrier shall: (1) charge the appropriate account prescribed for each service purchased or expense element incurred expressly for the benefit of the air carrier regardless of whether incurred directly by the air carrier or through an agent or other intermediary, and (2) except as provided in objective account 77 Uncleared Expense Credits, credit or charge, as appropriate, the account prescribed for each expense element which may be involved in distributions of expenses between (i) separate operating entities of the air carrier, (ii) incidental and transport services or transport functions, (iii) balance sheet and profit and loss elements and (iv) the air carrier and others, when the expenses are incurred initially by or for the benefit of the air carrier. At the option of the air carrier, standard rates applicable to each objective account comprising a particular pool of expenses subject to assignment between two or more activities, may be established for proration purposes, provided the rates established are predicated upon the experience of the air carrier and are reviewed and modified as appropriate at least once each year.

21 General Management Personnel.

Record here the compensation, including vacation and sick leave pay, of general officers and supervisors, and immediate assistants regardless of locality at which based, responsible for an activity not provided for in profit and loss accounts 25 through 35, inclusive, or an activity involving two or more such accounts.

23 Pilots and Copilots.

Record here the compensation, including vacation and sick leave pay, of pilots and copilots assigned or held inactive awaiting assignment to flight duty.

24 Other Flight Personnel.

Record here the compensation, including vacation and sick leave pay, of other flight personnel assigned or held inactive awaiting assignment to flight status, not responsible for the in-flight management of aircraft, such as engineers, navigation officers and cabin attendants.

25 Maintenance Labor.

(a) Record here the compensation for time of personnel spent directly on specific property and equipment maintenance projects. (See sections 10 and 11-5200.) Vacation and sick leave pay shall be charged to profit and loss account 28 Trainees, Instructors and Unallocated Shop Labor.

(b) This account shall be subdivided as follows:

GROUP II AND GROUP III AIR CARRIERS

25.1 Labor—Airframes.

Record here the direct labor expended upon airframes and spare parts related to airframes.

25.2 Labor—Aircraft Engines.

Record here the direct labor expended upon aircraft engines and spare parts related to aircraft engines.

25.3 Labor—Other Flight Equipment.

Record here the direct labor expended upon flight equipment (including instruments) other than airframes, aircraft engines and spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances there-to for installation in aircraft and aircraft engines which are maintained separately from airframes and aircraft engines.

GROUP I AIR CARRIERS**25.6 Labor—Flight Equipment.**

Record here the direct labor expended upon flight equipment of all types and classes.

ALL AIR CARRIER GROUPS**25.9 Labor—Ground Property and Equipment.**

Record here the direct labor expended upon ground property and equipment of all types and classes. Direct labor expended upon general ground properties shall be charged to subfunction 5200 Direct Maintenance; and direct labor expended upon maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

26 Aircraft and Traffic Handling Personnel.

(a) Record here the compensation, including vacation and sick leave pay, of personnel of all types and classes, including direct supervisory personnel, assigned to ground activities, engaged directly in protecting and controlling aircraft in flight, scheduling and preparing flight crews for flight assignment, parking and servicing aircraft incidental to line operations, and of personnel of all types and classes engaged in servicing and handling traffic of all types and classes on the ground.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

26.1 General Aircraft and Traffic Handling Personnel.

Record here compensation of personnel handling or controlling aircraft and generally servicing or handling traffic of all types and classes whose activities are not identifiable with the particular activities provided for in subaccounts 26.2, 26.3 or 26.4, inclusive.

26.2 Aircraft Control Personnel.

Record here compensation of personnel whose activities are identifiable with the protection and control of aircraft in flight and in scheduling or preparing flight crews for flight assignment.

26.3 Passenger Handling Personnel.

Record here compensation of personnel whose activities are identifiable with the handling of passengers.

26.4 Cargo Handling Personnel.

Record here compensation of personnel whose activities are identifiable with the handling of passenger baggage, mail, express or freight.

28 Trainees, Instructors, and Unallocated Shop Labor.

(a) Record here the compensation, including vacation and sick leave pay, of instructors and personnel in an off-the-job training status; direct maintenance personnel compensation not assigned to specific projects; and vacation or sick

leave pay of direct maintenance personnel.

(b) This account shall be subdivided as follows by all air carrier groups:

28.1 Trainees and Instructors.

Record here the compensation of instructors and personnel in a training status.

28.2 Unallocated Shop Labor.

Record here the pay of direct maintenance personnel which has not been assigned to profit and loss account 25 Maintenance Labor for time spent on specific maintenance projects, and vacation or sick leave pay of direct maintenance personnel.

30 Communications Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel of all types and classes, including direct supervisory personnel, engaged in local, interstation, or ground-air communication activities. This account shall include compensation of personnel such as radio operators, telephone operators, switchboard operators, teletype operators, messengers, etc.

31 Record Keeping and Statistical Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel including supervisory personnel, whose primary duties relate to maintaining records or conducting economic or other analyses required for general management controls, such as accountants, economists, statisticians, maintenance record clerks, stores record clerks, stores receiving and issuing clerks and file clerks. The account shall not include personnel engaged in documentation or other activities constituting an integral part of activities encompassed by other objective accounts.

32 Lawyers and Law Clerks.

Record here the compensation, including vacation and sick leave pay, of air carrier personnel engaged in law research or representing the air carrier in matters of law.

33 Traffic Solicitors.

Record here the compensation, including vacation and sick leave pay, of personnel engaged directly in solicitation of traffic of all types and classes. This account shall not include compensation of traffic office personnel engaged in soliciting activities incidental to the documenting of sales and assigning aircraft space which shall be included in profit and loss account 26 Aircraft and Traffic Handling Personnel.

34 Purchasing Personnel.

(a) Record here the compensation, including vacation and sick leave pay, of personnel, including direct supervisory personnel, engaged in purchasing activities.

(b) This account shall include compensation of personnel engaged in maintaining purchasing records but shall not include compensation of personnel responsible for the control of inventories or stores which shall be included in objective account 31 Record Keeping and Statistical Personnel. In cases where

the responsibility for maintaining purchasing and stores records are inseparable, the related compensation may be accounted for in accordance with dominant responsibilities.

35 Other Personnel.

Record here the compensation, including vacation and sick leave pay, of personnel whose activities are not identifiable with activities provided for in profit and loss accounts 21 through 34, inclusive.

36 Personnel Expenses.

(a) Record here expenses incurred by officers, executives, directors and other personnel, whether for the benefit of the air carrier or for the private benefit of such persons, which are directly or indirectly borne by the air carrier.

(b) This account shall include allowances in lieu of expenses as well as expenses incurred for travel, lodgings, meals, entertainment of individuals or groups of individuals, and membership fees and dues in professional or social clubs and associations.

(c) Records shall be maintained in a conveniently accessible form which will separately and clearly document each charge to this account in terms of its natural characteristics and contribution to the performance of the air carrier's transport operations. The records shall be maintained in such manner as will identify specifically the persons incurring the cost and will facilitate the accumulation of costs to be reported on schedule G-42 of CAB Form 41. Costs for standby hotel or other facilities maintained for the air carrier's personnel generally, need not be allocated among the individuals using such facilities; however, sufficiently detailed records are required to identify the use made of such facilities by each individual.

37 Communications Purchased.

Record here expenses, including related taxes, incurred for rental of communication services and for communication services of all types and classes not provided by personnel of the air carrier, such as telegraph, telephone, teletype, private line services, and charges for communication services from organizations operated jointly with associated companies or others.

38 Light, Heat, Power and Water.

Record here charges related to the provision of light, heat, power and water, including related taxes.

39 Traffic Commissions.

(a) Record here charges by others, including associated companies, for commissions arising from sales of transportation. Commissions, fees or other charges incurred for general agency services, as opposed to commissions arising from sales of transportation, shall not be included in this account but in profit and loss account 42 General Services Purchased—Associated Companies or profit and loss account 43 General Services Purchased—Outside, as appropriate.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

39.1 Commissions—Passenger.

Record here charges for commissions arising from sales of passenger transportation.

39.2 Commissions—Property.

Record here charges for commissions arising from sales of nonpassenger transportation.

40 Legal Fees and Expenses.

Record here expenditures incurred for legal services by counsel retained on a fee basis and related expenses reimbursed or borne directly by the air carrier and other expenses incurred directly by the air carrier for legal supplies not obtainable from the air carrier's general stationery stock. This account shall not be charged with legal fees or expenses incurred in connection with claims occasioned by accidents or other casualties. Such charges shall be accumulated in balance sheet account 1890 Other Deferred Charges and cleared to profit and loss account 58 Injuries, Loss and Damage upon settlement of insurance claims. Nor should this account include fees or expenses related to developmental projects. Such expenses shall be included as appropriate in profit and loss account 89 Miscellaneous Nonoperating Debits or balance sheet account 1830 Developmental and Preoperating Costs.

41 Professional and Technical Fees and Expenses.

Record here fees and expenses, other than legal fees and expenses, incurred for outside professional and technical services which are reimbursed or borne directly by the air carrier. This account shall not include fees or expenses related to developmental projects. Such expenses shall be included, as appropriate, in profit and loss account 89 Miscellaneous Nonoperating Debits or balance sheet account 1830 Developmental and Preoperating Costs.

42 General Services Purchased—Associated Companies.

(a) Record here charges for services performed for the air carrier by associated companies which are not identifiable with services provided for in profit and loss accounts 37 through 41, inclusive, or which are not expressly identifiable with other objective expense accounts.

(b) Charges from associated companies for services provided the air carrier under aircraft interchange agreements or other agreements embracing a complete activity or service such as the operation of jointly used ground facilities, shall be included in this account for each operating function to which the services contribute. Charges for providing aircraft capacity including charges for depreciation and interest on the capital related to the flight equipment provided shall be included in function 5100 Flying Operations.

(c) This account shall be subdivided as follows by each air carrier group:

GROUP II AND GROUP III AIR CARRIERS

42.1 Airframe Repairs—Associated Companies.

Record here charges by associated companies for maintenance or repair of airframes and spare parts related to airframes owned or leased by the air carrier. Charges by associated companies for maintenance of airframes provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

42.2 Aircraft Engine Repairs—Associated Companies.

Record here charges by associated companies for maintenance or repair of aircraft engines including spare parts related to aircraft engines owned or leased by the air carrier. Charges by associated companies for maintenance of aircraft engines provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

42.3 Other Flight Equipment Repairs—Associated Companies.

Record here charges by associated companies for maintenance or repair of flight equipment (including instruments) owned or leased by the air carrier, other than airframes, aircraft engines, and spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines. Charges by associated companies for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

GROUP I AIR CARRIERS

42.6 Flight Equipment Repairs—Associated Companies.

Record here charges by associated companies for maintenance or repair of flight equipment of all types and classes owned or leased by the air carrier. Charges by associated companies for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 42.7 Aircraft Interchange Charges—Associated Companies.

ALL AIR CARRIER GROUPS

42.7 Aircraft Interchange Charges—Associated Companies.

Record here charges by associated companies for providing aircraft capacity or services related to the direct operation or maintenance of flight equipment under aircraft interchange agreements.

42.8 General Interchange Service Charges—Associated Companies.

Record here charges by associated companies for services provided the air carrier under aircraft interchange agreements, other than charges related to the direct operation or maintenance of flight equipment, including all charges for maintenance and repair of ground properties, as well as fees or charges for traffic solicitation and sales, or supervision and administration covered by the aircraft interchange agreements. Charges for depreciation or interest on capital related to flight equipment provided under interchange agreements shall not be included in this subaccount but in sub-

account 42.7 Aircraft Interchange Charges—Associated Companies.

42.9 Other Services—Associated Companies.

a. Record here charges for services performed by associated companies not provided for elsewhere.

b. This subaccount shall include only those charges for services, not provided for in profit and loss accounts 37 to 41, inclusive, and subaccounts 42.1 to 42.8, inclusive embracing a complete activity or service provided by associated companies, such as the operation of traffic offices or other facilities used jointly with the air carrier, which do not represent reimbursement of specific expense elements incurred expressly for the benefit of the air carrier. Reimbursement of expenses incurred expressly for the benefit of the air carrier shall be entered in appropriate personnel compensation or other objective expense accounts. The cost of services received in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance; and services received in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

43 General Services Purchased—Outside.

(a) Record here charges for services performed for the air carrier by other than associated companies which are not identifiable with services provided for in profit and loss accounts 37 through 41, inclusive, or which are not expressly identified with other objective expense accounts.

(b) Charges from others for services provided the air carrier under aircraft interchange agreements or other agreements embracing a complete activity or service, such as the operating of jointly used ground facilities, shall be included in this account for each operating function to which the services contribute. Charges for providing aircraft capacity, including charges for depreciation and interest on the capital related to the flight equipment provided, shall be included in function 5100 Flying Operations.

(c) This account shall be subdivided by each air carrier group, as follows:

GROUP II AND GROUP III AIR CARRIERS

43.1 Airframe Repairs—Outside.

Record here charges for maintenance or repair of airframes and spare parts related to airframes owned or leased by the air carrier. Charges by others for maintenance of airframes provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

43.2 Aircraft Engine Repairs—Outside.

Record here charges for maintenance or repair of aircraft engines, including spare parts related to aircraft engines owned or leased by the air carrier. Charges by others for maintenance of aircraft engines provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

43.3 Other Flight Equipment Repairs—Outside.

Record here charges for maintenance or repair of flight equipment (including instruments) owned or leased by the air carrier, other than airframes, aircraft engines, and

spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines. Charges by others for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

GROUP I AIR CARRIERS

43.6 Flight Equipment Repairs—Outside.

Record here charges for maintenance or repair of flight equipment of all types and classes owned or leased by the air carrier. Charges by others for maintenance of flight equipment provided under aircraft interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

ALL AIR CARRIER GROUPS

43.7 Aircraft Interchange Charges—Outside.

Record here charges by other than associated companies for providing aircraft capacity or services related to the direct operation or maintenance of flight equipment under aircraft interchange agreements.

43.8 General Interchange Service Charges—Outside.

Record here charges by others, except associated companies, for services provided the air carrier under aircraft interchange agreements, other than charges related to the direct operation or maintenance of flight equipment, including all charges for maintenance and repair of ground properties, as well as fees or charges for traffic solicitation and sales, or supervision and administration covered by the aircraft interchange agreements. Charges for depreciation or interest on capital related to flight equipment provided under interchange agreements shall not be included in this subaccount but in subaccount 43.7 Aircraft Interchange Charges—Outside.

43.9 Other Services—Outside.

Record here charges for maintenance and repair of ground property and equipment of all types and classes and other charges for services performed by others not provided for elsewhere. This subaccount shall include only those charges for services not provided for elsewhere in profit and loss accounts 37 to 43 embracing a complete activity or service provided by other than associated companies such as the operation of traffic offices or other facilities used jointly with the air carrier which do not represent reimbursement of specific expense elements incurred expressly for the benefit of the air carrier. Reimbursement of expenses incurred expressly for the benefit of the air carrier shall be entered in appropriate personnel compensation or other objective expense accounts. The cost of services received in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance; and services received in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

44 Landing Fees.

Record here the charges and fees incurred for landing of aircraft while in line operation.

45 Aircraft Fuels and Oils.

(a) Record here the cost of fuels and oils issued from stocks of the air carrier, or delivered directly by others, to aircraft for use in flight operations. Adjust-

ments of inventories of aircraft fuel and oil shall also be entered in this account. The cost of fuels and oils used in repairs and maintenance services and non-refundable fuel and oil taxes shall not be included in this account but in profit and loss accounts 49 Shop and Servicing Supplies and 69 Taxes—Other than Payroll, respectively.

(b) This account shall be subdivided as follows by Group II and Group III air carriers:

45.1 Aircraft Fuels.

Record here the cost of fuels used in flight operations.

45.2 Aircraft Oils.

Record here the cost of oils used in flight operations.

46 Maintenance Materials.

(a) Record here the cost of materials and supplies consumed directly in specific property and equipment maintenance projects.

(b) This account shall be subdivided as follows:

GROUP II AND GROUP III AIR CARRIERS

46.1 Materials—Airframes.

Record here the cost of materials and supplies consumed directly in maintenance of airframes and spare parts related to airframes.

46.2 Materials—Aircraft Engines.

Record here the cost of materials and supplies consumed directly in maintenance of aircraft engines and spare parts related to aircraft engines.

46.3 Materials—Other Flight Equipment.

Record here the cost of materials and supplies consumed directly in maintenance of flight equipment (including instruments) other than airframes and aircraft engines, or spare parts related to airframes and aircraft engines. Instruments shall include all gauges, meters, measuring devices, and indicators, together with appurtenances thereto for installation in aircraft and aircraft engines, which are maintained separately from airframes and aircraft engines.

GROUP I AIR CARRIERS

46.6 Materials—Flight Equipment.

Record here the cost of materials and supplies consumed directly in the maintenance of flight equipment of all types and classes.

ALL AIR CARRIER GROUPS

46.9 Materials—Ground Property and Equipment.

Record here the cost of materials and supplies consumed directly in the maintenance of ground property and equipment of all types and classes. The cost of materials and supplies consumed in the repair of general ground properties shall be charged to subfunction 5200 Direct Maintenance and materials and supplies consumed in the repair of maintenance buildings and equipment shall be charged to subfunction 5300 Maintenance Burden.

47 Rentals.

Record here rentals, fee, or charges incurred in the use of property and equipment provided by others. When a lease arrangement provides that the amounts paid include charges for maintenance, insurance, or taxes, the

amounts related thereto shall not be recorded in this account but in the appropriate expense account to which related.

49 Shop and Servicing Supplies.

Record here the cost of supplies and expendable small tools and equipment used in maintaining, servicing and cleaning property or equipment the cost of which cannot be directly assigned to a specific job or type of work.

50 Stationery, Printing and Office Supplies.

Record here the cost of stationery and forms used by the air carrier including the cost of engineering and shipping supplies.

51 Passenger Food Expense.

(a) Record here the cost of food and refreshments served passengers except food costs arising from interrupted trips.

(b) If the air carrier prepares its own food, the initial cost and expenses incurred in the preparation thereof shall be accumulated in a clearly identified clearing account through which the cost of food shall be cleared to this account, to profit and loss account 36 Personnel Expenses, and to profit and loss account 10 Hotel, Restaurant and Food Service on bases which appropriately allocate the cost of food served passengers, the cost of food provided employees without charge and the cost of food sold.

53 Other Supplies.

Record here the cost of supplies consumed and not provided for otherwise.

54 Inventory Adjustments.

Record here adjustments for overage, shortage or shrinkage of inventories carried in balance sheet accounts 1310 Flight Equipment Expendable Parts and 1330 Miscellaneous Materials and Supplies. Adjustment of aircraft fuel and oil inventories shall not be included in this account but in profit and loss account 45 Aircraft Fuels and Oils. Gains or losses from retirements of materials and supplies shall not be recorded in this account but in profit and loss account 81 Capital Gains and Losses.

55 Insurance—General.

(a) Record here provisions for self-insurance and the cost of purchased public liability and property damage and all other general insurance except insurance covering liability for injuries, loss and damage to passengers and cargo, and insurance carried for the protection or welfare of employees.

(b) This account shall be subdivided as follows by all air carrier groups:

55.1 Insurance Purchased.

Record here the cost of all purchased insurance properly chargeable to this account.

55.2 Provisions for Self-Insurance.

Record here provisions for self-insurance against general risks, to be borne by the air carrier and properly chargeable to this account.

56 Insurance—Traffic Liability.

Record here the cost of purchased insurance and provisions for self-insurance

covering liability for injuries, loss and damage to passengers and cargo.

57 Employee Benefits and Pensions.

Record here all costs for the benefit or protection of employees including all pension expenses whether for payments to or on behalf of retired employees or for accruals or annuity payments to provide for pensions; and all expenses for accident, sickness, hospital, and death benefits to employees or the cost of insurance or provisions for self-insurance to provide these benefits. Include, also, expenses incurred in medical, educational or recreational activities for the benefit of employees. Do not include vacation and sick leave pay, or salaries of doctors, nurses, trainees, or instructors, which shall be recorded in the regular salary accounts.

58 Injuries, Loss and Damage.

Record here the remainder of gains, losses or costs resulting from accidents, casualties or mishandlings, after offsetting insurance recoveries, as accumulated until finally determined, in balance sheet account 1890 Other Deferred Charges. This account shall not include gains or losses from retirement of property and equipment resulting from casualties. Such gains or losses shall be recorded in appropriate capital gains or losses accounts.

59 Tariffs, Schedules and Timetables.

Record here the production and distribution cost, excluding compensation of air carrier personnel, of all tariffs, operating schedules, timetables, circulars and related quick reference charts.

60 Advertising.

Record here the cost, excluding compensation of air carrier personnel, of all space, direct mail, spot and other advertising for the purpose of increasing air travel, disseminating air travel information and publicizing services offered by the air carrier.

62 Other Promotional and Publicity Expenses.

Record here the costs, excluding compensation of air carrier personnel, of producing and distributing publicity releases and other expenses, not chargeable to profit and loss accounts 59 and 60, incurred for the purpose of publicizing or improving the public relations of the air carrier generally.

63 Interrupted Trips Expense.

Record here expenses allowed or paid for the care and serving of passengers because of unscheduled interruptions in passenger journeys. Transportation refunds and the cost of forwarding traffic by surface common carrier or otherwise as a result of such interruptions shall not be charged to this account but to the appropriate operating revenue account.

64 Memberships.

Record here the cost of membership dues in trade associations, chambers of commerce, or other business associations

and organizations together with special assessments related thereto.

65 Corporate and Fiscal Expenses.

Record here corporate and fiscal fees and expenses of the air carrier and all expenses in connection with exchange and transfer of capital stock excluding expenses in connection with original issuance of capital stock.

66 Uncollectible Accounts.

Record here losses from uncollectible accounts and reserve provisions and adjustments thereto, for such losses. When reserves for uncollectible accounts are established, losses as realized shall be charged against such reserves and shall not be charged to this account.

67 Clearance, Customs and Duties.

Record here clearance, customs, duties and brokerage fees and charges applicable to clearing aircraft and traffic.

68 Taxes—Payroll.

Record here all taxes levied against the air carrier based upon or directly relating to compensation of personnel.

69 Taxes—Other Than Payroll.

(a) Record here all taxes levied against the air carrier not otherwise provided for including nonrefundable aircraft fuel and oil taxes. Interest and penalties on delinquent taxes shall not be charged to this account but to profit and loss accounts 87 Interest Expense and 89 Miscellaneous Nonoperating Debits, respectively.

(b) Entries to this account shall clearly reveal each kind of tax and the governmental agency to which paid or payable.

71 Other Expenses.

Record here all expenses ordinarily associated with air transportation and its incidental services not provided for otherwise.

72 Flight Equipment Airworthiness Provisions.

(a) Record here provisions for effecting an equitable distribution of airframe and aircraft engine overhaul costs between different accounting periods and credits for overhaul costs currently incurred. (See section 5-4 (f) and (g) for applicable policy.)

(b) This account shall be subdivided as follows by all air carrier groups:

72.1 Airworthiness Reserve Provisions—Airframes.

Record here current provisions for effecting an equitable distribution of airframe overhaul costs between different accounting periods.

72.2 Airworthiness Reserve Charges—Airframes (Credit).

Record here credits for airframe overhaul costs incurred in the current period which have been charged against related airworthiness reserves.

72.6 Airworthiness Reserve Provisions—Aircraft Engines.

Record here current provisions for effecting an equitable distribution of aircraft engine overhaul costs between different accounting periods.

72.7 Airworthiness Reserve Charges—Aircraft Engines (Credit).

Record here credits for aircraft engine overhaul costs incurred in the current period which have been charged against related airworthiness reserves.

73 Provisions for Obsolescence and Deterioration—Expendable Parts.

(a) Where reserves for loss in value of flight equipment expendable parts are established, provisions for accruals to such reserves shall be charged to this account and credited to balance sheet account 1311 Obsolescence and Deterioration Reserves—Expendable Parts in accordance with the provisions of that account.

(b) This account shall be subdivided as follows by all air carrier groups:

73.1 Current Provisions.

Record here provisions during the current period for losses in value of expendable parts.

73.2 Inventory Decline Credits.

Record here credits applicable to the current period for any adjustments for excess inventory reserve levels determined pursuant to section 6-1311.

74 Amortization.

(a) Record here amortization of deferred charges attaching to the air transportation services conducted by the air carrier which are not prepayments of recurrent expenses ordinarily requiring expenditures of working capital within one year.

(b) This account shall be subdivided as follows by all air carrier groups:

74.1 Developmental and Preoperating Expenses.

Record here amortization of the cost of projects carried in balance sheet account 1830 Developmental and Preoperating Costs as approved or directed by the Civil Aeronautics Board.

74.2 Other Intangibles.

Record here amortization of the cost of intangibles not provided for otherwise as approved or directed by the Civil Aeronautics Board.

75 Depreciation.

(a) Record here provisions for depreciation of property and equipment carried in balance sheet accounts 1601 through 1640, inclusive.

(b) This account shall be subdivided as follows:

ALL AIR CARRIER GROUPS

75.1 Depreciation—Airframes.

Record here provisions for depreciation of property and equipment carried in balance sheet account 1601 Airframes.

75.2 Depreciation—Aircraft Engines.

Record here provisions for depreciation of property and equipment carried in balance sheet account 1602 Aircraft Engines.

GROUP II AND GROUP III AIR CARRIERS

75.3 Depreciation—Airframe Parts.

Record here provisions for depreciation of spare airframe instruments and parts carried in balance sheet subaccount 1608.1 Airframe Parts and Assemblies.

75.4 Depreciation—Aircraft Engine Parts.

Record here provisions for depreciation of spare aircraft engine instruments and parts carried in balance sheet subaccount 1608.5 Aircraft Engine Parts and Assemblies.

ALL AIR CARRIER GROUPS**75.5 Depreciation—Other Flight Equipment.**

Record here provisions for depreciation of property and equipment and parts carried in balance sheet accounts 1603 Aircraft Propellers, 1604 Aircraft Communications and Navigational Equipment 1606 Miscellaneous Flight Equipment, 1607 Improvements to Leased Flight Equipment (exclusive of capitalized overhauls of leased flight equipment for which worthlessness reserves are maintained) and balance sheet subaccount 1608.9 Other Parts and Assemblies. Group I air carriers shall also include in this subaccount provisions for depreciation of property carried in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies.

75.6 Depreciation—Flight Equipment.

This classification is established only for purposes of control by the Civil Aeronautics Board and shall include all charges to operating expenses for depreciation of flight equipment of all types and classes.

75.8 Depreciation—Maintenance Equipment and Hangars.

Record here provisions for depreciation of property and equipment carried in balance sheet account 1634, Maintenance and Engineering Equipment and balance sheet subaccount 1640.1 Maintenance Buildings and Improvements.

75.9 Depreciation—General Ground Property.

Record here provisions for depreciation of property and equipment carried in balance sheet accounts 1630 through 1640, other than account 1634, Maintenance and Engineering Equipment and subaccount 1640.1, Maintenance Buildings and Improvements.

77 Uncleared Expense Credits.

(a) Record here credits to operating expenses, which have not been cleared to the objective accounts to which applicable.

(b) Each air carrier shall credit, or charge as appropriate, the objective account prescribed for each expense element which may be involved in distribution of expenses between separate reporting entities or nontransport divisions of the air carrier. At the option of the air carrier, either the individual applicable objective accounts or this account may be credited with amounts capitalized, charged against incidental services, or otherwise assigned to other than separate operating entities of the air carrier provided the aggregate credits to this account in each function do not, for any accounting year, distort the individual objective accounts of the function to which related and all expense credits applicable to complete individual transactions are consistently credited either to this account or the individual objective accounts to which related. Each air carrier using this account shall establish such standard practices as may be prescribed by the Civil Aeronautics Board or, in the absence of such action by the Civil Aeronautics Board, such standard practices as will prevent credits

to this account from significantly distorting the individual objective accounts of each function to which related.

(c) This account shall not be credited with amounts applicable to objective accounts of the Flying Operations, Depreciation, and Direct Maintenance functions. Credits applicable to such functions shall be carried to the individual objective accounts to which applicable.

(d) This account shall be subdivided as follows by all air carrier groups:

77.8 Uncleared Interchange Expense Credits.

Record here credits to operating expenses, from operations performed for others under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

77.9 Other Uncleared Expense Credits.

Record here credits to operating expenses, from other than operations under aircraft interchange agreements, which have not been cleared to the objective accounts to which applicable.

78 Direct Maintenance—Flight Equipment.

This classification is established for purposes of control by the Civil Aeronautics Board and shall include all charges to operating expenses for maintenance of flight equipment of all types and classes.

79 Applied Burden Debit/Credit.

(a) This classification is established only for purposes of control by the Civil Aeronautics Board and reporting on Form 41 by air carriers, and shall reflect all maintenance burden applied in accordance with the provisions of section 24, schedule P-5 of this system of accounts and reports.

(b) This classification shall be subdivided as follows by all air carrier groups:

79.6 Applied Burden—Flight Equipment.**79.8 Applied Burden—General Ground Property.****Section 14—Objective Classification—Nonoperating Income and Expense****80 Imputed Interest Capitalized.**

(a) Record here imputed interest capitalized pursuant to section 2-10 and charged to asset accounts.

(b) This account shall be subdivided as follows by all air carrier groups:

80.1 Imputed Interest Capitalized—Credit.

Record here credits related to imputed interest capitalized and recorded in asset accounts.

80.2 Imputed Interest Deferred—Debit.

Record here debits related to imputed interest deferred in balance sheet account 2390 Other Deferred Credits.

80.3 Imputed Interest Deferred—Credit.

Record here periodic credits for imputed interest, cleared to this account as the amount of such interest in the asset accounts is written off.

(80 Stat. 383, 5 U.S.C. 552) [ER-484, 32 F.R. 5368, Mar. 30, 1967]

81 Capital Gains and Losses.

(a) Record here gains or losses on retirements of property and equipment, repair parts, supplies or materials, and investments in securities. This account shall not include gains or losses on debt securities issued by the air carrier which have been reacquired and cancelled or resold. Such gains or losses shall be recorded, as appropriate, in profit and loss account 88 Miscellaneous Nonoperating Credits or 89 Miscellaneous Nonoperating Debits. Gains or losses on reacquisition and retirement or resale of capital stock issued by the air carrier shall not be included in this account but in paid-in capital subaccount 2890.3 Other Capital Stock Transactions. Gains or losses from property carried in balance sheet account 1520 Advances to Nontransport Divisions shall be accounted for in books of nontransport divisions and treated by the air carrier as a part of quarterly profit and loss of nontransport divisions taken up through profit and loss account 86 Income from Nontransport Ventures.

(b) This account shall be subdivided as follows by all air carrier groups:

81.1 Capital Gains and Losses—Operating Property.

Record here gains or losses on retirements of operating property and equipment, flight equipment expendable parts, or miscellaneous materials and supplies sold or otherwise retired in connection with a general retirement program as opposed to incidental sales performed as a service to others.

81.2 Capital Gains and Losses—Other.

Record here gains or losses on retirement of nonoperating property and equipment and investments in securities of others.

82 Unapplied Cash Discounts.

Record here cash discounts on routine purchases of materials, repair parts or supplies. Cash discounts on classes of assets included in property and equipment accounts shall not be recorded in this account but shall be applied as a reduction of the cost of such assets.

83 Interest Income.

(a) Record here interest income from all sources. This account shall include as an increase or reduction of interest received the proportionate amortization of any discount or premium on the purchase price of securities of others held by the air carrier.

(b) This account shall not include interest on securities issued or assumed by the air carrier and subsequently reacquired.

84 Income from Subsidiary Companies and Dividend Income.

(a) Record here income from the equity in net earnings or losses of subsidiary companies and income arising out of dividends declared on stocks of companies in which the air carrier owns 50 percent or less of the voting capital stock. Dividends on capital stock issued by the air carrier and subsequently re-

acquired shall not be included in this account.

(b) This account shall be subdivided as follows by all carrier groups:

84.1 Income from Subsidiary Companies.

Record here the equity in the current earnings or losses of subsidiary companies. Dividends declared on the stock of such companies shall not be included in this account as income, but shall be entered in balance sheet subaccount 1510.1 Investments in Subsidiary Companies, as a return of investment. The foregoing instructions shall not apply to investments in nontransport foreign subsidiary companies.

84.2 Dividend Income—Other than Subsidiary Companies.

Record here income from dividends declared on stocks of companies in which the air carrier owns 50 percent or less of the voting capital stock. Dividends declared on stock of subsidiary companies shall not be included in this account, but shall be entered in balance sheet subaccount 1510.1 Investments in Subsidiary Companies.

85 Foreign Exchange Adjustments.

Record here gains or losses from transactions involving currency conversions resulting from nonroutine, unusual changes in rates of foreign exchange in accordance with provisions of section 2-3.

86 Income from Nontransport Ventures.

(a) Record here the gross revenues and expenses applicable to operations not reasonably considered as incidental to the commercial air transport services of the accounting entity; rents from nonoperating properties used by others; income or loss from nontransport divisions; and other income or loss from activities of the air carrier which are extraneous to the air transport and incidental services of the accounting entity.

(b) This account shall include revenues and expenses applicable to non-scheduled transport services performed for the defense establishment when and as separate reports for such services are required in accordance with section 21 or 31, as applicable, Introduction to System of Reports. Where the foregoing transport services are not required to be separately reported, gross revenues from such services shall be included in profit and loss account 07 Charter and Special, or other appropriate revenue account, and gross expenses shall be included in the appropriate operating expense functions.

87 Interest and Debt Expense.

(a) Record here interest on all classes of debt, including interest on unpaid taxes; premium, discount, and expense on short-term obligations; and amortizations of premium, discount, and expense on short-term and long-term obligations. This account shall also include credits for interest capitalized and recorded in asset accounts pursuant to section 2-10.

(b) This account shall be subdivided as follows by all air carrier groups:

- 87.1 Interest on Debt Principal.
- 87.2 Interest Capitalized—Credit.
- 87.3 Amortization of Discount and Expense on debt.
- 87.4 Amortization of Premium on Debt.

88 Miscellaneous Nonoperating Credits.

(a) Record here all credits of a nonoperating character not provided for otherwise, such as royalties from patents, gains from the reacquisition and retirement or resale of debt securities issued by the air carrier, and intercompany credit adjustments.

(b) This account shall be subdivided as follows by all air carrier groups:

88.1 *Intercompany Transaction Adjustment—Credit.* Record here all intercompany credits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated companies are initially recorded and are to be settled as provided under section 2-18.

88.9 *Other.* Record here all other miscellaneous nonoperating credits not included in subaccount 88.1 Intercompany Transaction Adjustment—Credit.

89 Miscellaneous Nonoperating Debits.

(a) Record here all debits of a nonoperating character not provided for otherwise, such as fines or penalties imposed by governmental authorities; costs related to property held for future use; donations for charitable, social or community welfare purposes; losses on reacquired and retired or resold debt securities of the air carrier; losses on uncollectible nonoperating receivables or accruals to reserve for uncollectible nonoperating receivables; and intercompany debt adjustments. This account shall be charged with amortization of amounts carried in balance sheet account 1870 Property Acquisition Adjustment, unless otherwise approved or directed by the Civil Aeronautics Board.

(b) This account shall be subdivided as follows by all air carrier groups:

89.1 *Intercompany Transaction Adjustment—Debit.* Record here all intercompany debits for any differences between amounts at which transactions between the air carrier and its nontransport divisions or associated companies are initially recorded and are to be settled as provided under section 2-18.

89.9 *Other.* Record here all other miscellaneous nonoperating debits not included in subaccount 89.1 Intercompany Transaction Adjustment—Debit.

Section 15—Objective Classification—Income Taxes for Current Period

91 Provision for Income Taxes.

(a) Record here quarterly provisions for accruals of Federal, State, local, and foreign taxes based upon net income, computed at the normal tax and surtax rates in effect during the current accounting year. In general, this account shall reflect provisions within each period for currently accruing tax liabilities as actually or constructively computed on tax returns, and any subse-

quent adjustments. This account shall include credits for refund claims arising from the carryback of losses in the year in which the loss occurs, credits for the carry-forward of losses in the year to which the loss is carried, and investment tax credits in the year in which each credit is utilized to reduce the liability for income taxes. (See section 2-6.) Income taxes shall be apportioned between members of a consolidated tax group in accordance with the provisions of section 2-18.

(b) This account shall be subdivided as follows by all carrier groups:

91.1 *Income Taxes Before Investment Tax Credits.* Record here accruals of income taxes based upon taxable income of the period.

91.2 *Investment Tax Credits Utilized.* Record here investment tax credits utilized to reduce the accrued liability for income taxes.

92 Provisions for Deferred Federal Income Taxes.

(a) Record here income tax debits and credits deferred in accordance with the provisions of balance sheet account 2340 Deferred Federal Income Taxes for those income elements specifically set forth in section 2-6(b).

(b) This account shall be subdivided as follows by all air carrier groups:

- 92.1 *Current Provisions for Deferred Taxes*
- 92.2 *Application of Taxes Deferred*
- 92.3 *Adjustment of Deferred Taxes*

93 Investment Tax Credits Deferred and Amortized.

(a) Record here investment tax credits of the current period which are transferred to balance sheet account 2345 Deferred Investment Tax Credits in accordance with the provisions of balance sheet account 2131 Accrued Federal Income Taxes. This account shall also include amounts for previously deferred investment tax credits amortized during the current period.

(b) This account shall be subdivided as follows by all carrier groups:

- 93.1 *Investment Tax Credits Deferred.*
- 93.2 *Amortization of Deferred Investment Tax Credits.*

95 Excess Profits Taxes.

Record here provisions for accruals, adjustments, or refunds of Federal, State, local, and foreign taxes, over and above normal taxes and surtaxes, which are based upon income designated as excess net income for tax purposes.

Section 16—Objective Classification—Special Items

96 Special Income Credits and Debits (Net).

Record here extraordinary income credits or debits accounted for during the current accounting year, in accordance with the provisions of section 2-7. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each special income credit and each special income debit.

97 Special Income Tax Credits and Debits (Net).

Record here income taxes allocable to items of income included in profit and loss account 96 Special Income Credits and Debits (Net) and other extraordinary income tax assessments that do

not constitute ordinary adjustments of a recurrent nature, in accordance with the provisions of section 2-7. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each special credit and each special debit.

OPERATING STATISTICS CLASSIFICATIONS

Section 19—Uniform Classification of Operating Statistics

Sec. 19-1 Chart of Operating Statistical Elements.

Air transport traffic and capacity elements		Service classes
AIRPORT-TO-AIRPORT TRAFFIC AND CAPACITY		
501	Interairport distance.....	Z.
110	Revenue passengers enplaned.....	A, C, E, G, L, N, P, R.
111	First class.....	A, E.
112	Coach.....	C, E.
210	Revenue cargo tons enplaned.....	A, C, E, G, L, N, P, R.
213	U.S. mail—priority.....	A, C, E, G, L, N, P, R.
214	U.S. mail—nonpriority.....	A, C, E, G, L, N, P, R.
215	Foreign mail.....	A, C, E, G, L, N, P, R.
216	Express.....	A, C, E, G, L, N, P, R.
217	Freight.....	A, C, E, G, L, N, P, R.
130	Revenue passengers transported.....	A, C, E, G, L, N, P, R.
131	First class.....	A, E.
132	Coach.....	C, E.
150	Nonrevenue passengers transported.....	A, C, E, G, L, N, P, R.
230	Revenue tons transported.....	A, C, E, G, L, N, P, R.
231	Passenger.....	A, C, E, G, L, N, P, R.
233	U.S. mail—priority.....	A, C, E, G, L, N, P, R.
234	U.S. mail—nonpriority.....	A, C, E, G, L, N, P, R.
235	Foreign mail.....	A, C, E, G, L, N, P, R.
236	Express.....	A, C, E, G, L, N, P, R.
237	Freight.....	A, C, E, G, L, N, P, R.
250	Nonrevenue tons transported.....	A, C, E, G, L, N, P, R.
310	Seats available.....	A, E, G.
311	First Class.....	C, E, G.
312	Coach.....	A, C, E, G, L, N, P, R.
270	Tons available.....	A, C, E, G, L, N, P, R.
410	Revenue aircraft miles flown.....	A, C, E, G.
411	Scheduled.....	A, C, E, G.
412	Extra section.....	A, C, E, G.
430	Revenue aircraft miles scheduled.....	A, C, E, G.
431	Scheduled aircraft miles completed.....	A, C, E, G.
510	Revenue aircraft departures performed.....	A, C, E, G, L, N, P, R.
511	Scheduled service.....	A, C, E, G.
512	Extra section.....	A, C, E, G.
520	Revenue aircraft departures scheduled.....	A, C, E, G.
521	Scheduled aircraft departures completed.....	A, C, E, G.
AIRCRAFT OPERATIONS		
420	Nonrevenue aircraft miles flown.....	Z.
610	Revenue aircraft hours (airborne).....	A, C, E, G, L, N, P, R.
620	Nonrevenue aircraft hours (airborne).....	Z.
621	Ferry.....	Z.
622	Personnel training.....	Z.
623	Developmental projects (costs not deferred).....	Z.
624	Publicity (inaugural flights or similar hours).....	Z.
625	Miscellaneous.....	Z.
630	Aircraft hours (ramp-to-ramp).....	A, C, E, G, L, N, P, R.
640	Aircraft hours in capitalized projects (airborne).....	Z.
MISCELLANEOUS OPERATING ELEMENTS		
810	Aircraft days assigned to service—carrier's equip.....	Z.
820	Aircraft days assigned to service—carrier's routes.....	Z.
830	Hours on other carriers' interchange equipment (airborne).....	Z.
840	Revenue hours on other carriers' interchange equipment (airborne).....	Z.
850	Hours by others on carrier's interchange equipment (airborne).....	Z.
921	Aircraft fuels issued (gallons).....	Z.
922	Aircraft oils issued (gallons).....	Z.

Sec. 19-2 Maintenance of data.

(a) Each air carrier shall maintain its operating statistics covering the movement of traffic according to the uniform classifications prescribed herein. Uniform codes are also prescribed for each

operating element and service class for the convenience of the Board, and at the option of each carrier, may or may not be used for internal carrier purposes.

(b) Each carrier shall maintain data applicable to the specified traffic and

capacity elements prescribed in Section 19-5, by general service classes as prescribed in section 19-4.

(c) As a general rule the data to be maintained shall represent measurements of physical operations reflected by the revenues and expenses, respectively, allocated to the same time period. Thus, aircraft capacity associated with deferred costs is to be separately maintained and identified in order that in any summarizations: (1) the capacity information associated with deferred costs may be excluded from capacity associated with costs of the current period; and (2) the revenue and related traffic measurements associated with such capacity may be credited to other flights.

(d) The classifications prescribed for traffic and capacity elements are designed to reflect, on a uniform basis, the physical factors relating to air transport operations as actually conducted. All such statistics shall be compiled in accordance with the definitions set forth in section 03. In principle, elements which are common to different statistics shall be measured on a consistent basis for all statistics of which they are a component. Thus, all aircraft-mile statistics applicable to a particular service or operation shall be compiled on a direct airport-to-airport mileage basis in terms of a consistent measurement of aircraft movement by flight stages. Similarly, all scheduled mileages and all scheduled departures shall be compiled as each flight is scheduled to be performed pursuant to the air carrier's published flight schedule, whereas scheduled miles performed and scheduled departures performed shall both be compiled in accordance with the pattern through which each point scheduled for service is actually served. Consistent with this principle, all statistics pertaining to actual operations shall be compiled in terms of each flight stage as actually performed.

(e) Separate sets of operating statistics shall be maintained for each operating entity as set forth in section 21.

(f) For convenience of reference each prescribed statistical element has been assigned a distinctive four-character alpha-numeric code. The first character of the four-character code denotes the basic class of service; for example, code XXXX denotes Scheduled First-Class Passenger-Cargo Service; code CXXX, Scheduled Coach-Passenger Cargo Service; and ZXXX, All Services. The last three characters denote the particular detailed operating element involved, with the first character of the last three characters denoting the basic operating element involved; for example, XIXX, passengers; X4XX, miles; and X9XX, miscellaneous information.

Sec. 19-3 Accessibility and transmittal of data.

Each air carrier shall maintain its prescribed operating statistics in a manner and at such locations as will permit ready availability for examination by representatives of the Board. Individual flight stage data for scheduled services as prescribed in section 19-5, summarized by flight number, service segment, service

class, and aircraft type, shall be transmitted to the Board on a monthly basis. Those air carriers having access to automatic data processing equipment shall utilize either magnetic ADP tapes or ADP punched cards for transmitting the prescribed data to the Board. Those air carriers not having access to automatic processing equipment shall utilize conventional documentary mediums of transmitting the data to the Board. Both ADP-oriented and documentary records shall be transmitted in accordance with standard practices to be established by the Board's Bureau of Accounts and Statistics. All such data shall be received by the Civil Aeronautics Board at its offices in Washington, D.C., no later than 30 days following the close of the month to which applicable.

Sec. 19-4 Service classes.

The statistical classifications are designed to reflect the operating elements attributable to each distinctive class of service offered. Accordingly, the operating elements shall be grouped in accordance with their inherent characteristics as follows:

(a) *Scheduled services.* For scheduled services, which shall include traffic and capacity elements applicable to air transportation performed between points prescribed in certificates of public convenience and necessity held by the air carrier for the transportation of individually ticketed passengers or waybilled cargo shipments (as differentiated from charter of aircraft) on flights performed pursuant to published schedules filed with the Board, including extra sections or other flights performed as an integral part of the published flight schedules, the following classifications shall be maintained, as applicable:

A000 Scheduled First Class Passenger-Cargo Service
C000 Scheduled Coach Passenger-Cargo Service
E000 Scheduled Mixed Passenger-Cargo Service
G000 Scheduled Cargo Service

(b) *Nonscheduled services.* For nonscheduled services, which shall include all traffic and capacity elements applicable to air transportation between pairs of points not prescribed in certificates of public convenience and necessity held by the air carrier, the performance of on-line aircraft charters, and other air transportation services not constituting an integral part of services performed pursuant to published schedules filed with the Board (but shall not include data applicable to flights performed as extra sections to published flight schedules, which shall be reported in the appropriate classification of scheduled services), the following classifications shall be maintained, as applicable:

L000 Nonscheduled Civilian Passenger-Cargo Service.
N000 Nonscheduled Military Passenger-Cargo Service.
P000 Nonscheduled Civilian Cargo Service.
R000 Nonscheduled Military Cargo Service.

(c) *All services.* This classification shall reflect, for the applicable elements,

the aggregate amounts for all services performed by the operating entity:

Z000 All services

Sec. 19-5 Air transport traffic and capacity elements.

(a) Within each of the service classifications prescribed in section 19-4, data shall be maintained as applicable to specified air transport traffic and capacity elements.

(b) Under the category of airport-to-airport traffic and capacity data, data applicable to those traffic and capacity elements in scheduled services (including extra sections) which are directly related to the performance of air transportation over each service segment shall be maintained. Separate data with respect to each individual flight stage in scheduled service shall be maintained in a manner which will permit summarization by flight number, service segment, service class, and aircraft type for each monthly period.

(c) Under the category of aircraft operations, data applicable to movements of aircraft, which are not encompassed by the elements included in the airport-to-airport traffic and capacity data, shall be maintained. Effective January 1, 1971, aircraft hours shall be maintained for each flight stage operated in the scheduled service on the basis of both "airborne", and "ramp-to-ramp" time, and in a manner which will permit summarization of the operating elements by aircraft type and, where applicable, by service class for each monthly period.

(d) Under the category of miscellaneous operating factors, data applicable to operating elements not ordinarily assembled from sources associated with records of airport-to-airport traffic or aircraft movements shall be maintained. These elements shall be maintained in a manner which will readily permit identification with each aircraft type for each monthly period.

(e) The elements, by category and alph-numeric code, for which data are to be maintained in accordance with the above are as follows:

AIRPORT-TO-AIRPORT TRAFFIC AND CAPACITY DATA

Z501 *International Distance.* The great circle distance, in statute miles, between airports served by each flight stage, as published in the Civil Aeronautics Board's "Official Route and Mileage Manual." (See Part 247 of the Economic Regulations.)

X110 *Revenue passengers enplaned.* The number of revenue passengers enplaned. Effective January 1, 1971, data shall be maintained with respect to such enplanements to show for each airport subsequently served by each flight, the number of deplaning revenue passengers, i.e., the on-flight origin and destination thereof. Separate data shall be maintained as follows:

X111 First class.
X112 Coach.

X210 *Revenue cargo tons enplaned.* The total of revenue cargo tons enplaned. Effective January 1, 1971, data shall be maintained with respect to such enplanements to show for each airport subsequently served by each flight, the tons of deplaning revenue traffic, i.e., the on-flight origin and destina-

tion thereof, for each of the following classes:

X213 U.S. mail—priority.
X214 U.S. mail—nonpriority.
X215 Foreign mail.
X216 Express.
X217 Freight.

X130 *Revenue passengers transported.* The number of revenue passengers transported. Separate data shall be maintained as follows:

X131 First class.
X132 Coach.
X150 *Nonrevenue passengers transported.* The number of nonrevenue passengers transported.

X230 *Revenue tons transported.* The number of tons of revenue traffic transported. Separate data shall be maintained for each of the following classes of traffic:

X231 Passenger.
X233 U.S. mail—priority.
X234 U.S. mail—nonpriority.
X235 Foreign mail.
X236 Express.
X237 Freight.

X250 *Nonrevenue tons transported.* The number of nonrevenue tons of traffic transported.

X310 *Seats available.* The number of seats available. This figure shall reflect the actual number of seats available on the particular aircraft with which each flight stage is performed. Separate data shall be maintained as follows:

X311 First class.
X312 Coach.
X270 *Tons available.* The tons available.

This figure shall reflect the payload capacity actually provided by the particular aircraft with which each flight stage is performed.

X410 *Revenue aircraft miles flown.* The revenue aircraft miles flown. All such data shall be maintained in accordance with the airport pairs between which service is actually performed whether or not in conformance with published schedules. At the option of the air carrier, aircraft miles may be developed from the data maintained for aircraft departures performed, described in code reference X510. Separate records shall be maintained as follows:

X411 Scheduled.
X412 Extra section.

X430 *Revenue aircraft miles scheduled.* The number of revenue aircraft miles scheduled. All such data shall be maintained in conformance with the airport pairs between which service is scheduled whether or not in accordance with actual performance. At the option of the air carrier, scheduled aircraft miles may be developed from the data maintained for scheduled aircraft departures, described in code reference X520.

X431 *Scheduled aircraft miles completed.* The aircraft miles performed on scheduled flights computed between only those scheduled points actually served. Service to nonscheduled points should not be considered in determining scheduled aircraft miles completed.

X510 *Revenue aircraft departure performed.* The number of revenue aircraft departures performed. Separate data shall be maintained for each of the following classes of performed departures:

X511 Scheduled.
X512 Extra section.

X520 *Revenue aircraft departures scheduled.* The number of revenue aircraft departures scheduled.

X521 *Scheduled aircraft departures completed.* The number of takeoffs performed at each airport pursuant to published schedules, exclusive of extra sections to schedule departures. This element should include only those scheduled departures included in element X520 which are actually performed.

AIRCRAFT OPERATIONS

Z420 Nonrevenue aircraft miles flown. The nonrevenue aircraft miles flown based upon the airport-to-airport distance of each flight stage. In circumstances where an interairport movement is not involved, the mileage may be computed by converting nonrevenue aircraft hours at the appropriate speed for the particular flight.

X610 Revenue aircraft hours (airborne). The revenue aircraft hours flown based upon the airborne time of each aircraft movement.

Z620 Nonrevenue aircraft hours (airborne). The aircraft hours flown in nonrevenue service based upon the "airborne" time of each aircraft movement. Separate data shall be maintained as follows:

- Z621 Ferry.
- Z622 Personnel training.
- Z623 Developmental projects (costs not deferred).
- Z624 Publicity (inaugural flights and similar hours).
- Z625 Miscellaneous.

Z630 Aircraft hours (ramp-to-ramp). The aircraft hours flown in both revenue and nonrevenue services, based upon the "ramp-to-ramp" time of each aircraft movement.

Z640 Aircraft hours in capitalized projects (airborne). The aircraft hours flown in projects for which the associated costs have been deferred for subsequent disposition through amortization or otherwise. Both the airborne hours maintained here and the equivalent ramp-to-ramp hours shall be excluded from other aircraft hours data.

MISCELLANEOUS OPERATING ELEMENTS

Z810 Aircraft days assigned to service-carrier's equipment. The number of aircraft days that owned or rented aircraft are in the possession of the air carrier and assigned to services of the reporting air carrier or assigned to services of other carriers under aircraft interchange agreements. Aircraft days shall be allocated between operating entities as follows:

- (1) Aircraft assigned exclusively to a particular operation shall be recorded for the operation to which assigned.
- (2) Aircraft used interchangeably in two or more operating entities shall be prorated between entities on the basis of the ramp-to-ramp time the individual aircraft was in operation in each entity.
- (3) The time of aircraft in maintenance or overhaul, or in reserve status, shall be assigned between operating entities on the basis of the relative ramp-to-ramp time all aircraft of the same type were in operation in each entity.

Z820 Aircraft days assigned to service-carrier's routes. The number of aircraft days that owned or rented aircraft and aircraft of others under interchange agreements are assigned to services performed by the air carrier.

Z830 Hours on other carriers' interchange equipment (airborne). The airborne hours flown with aircraft of others in both revenue and nonrevenue services of the air carrier under aircraft interchange agreements.

Z840 Revenue hours on other carriers' interchange equipment (airborne). The airborne hours flown with aircraft of others in revenue service of the air carrier under aircraft interchange agreements.

Z850 Hours by others on carrier's interchange equipment (airborne). The total airborne hours flown with aircraft owned or rented by the air carrier in the service of other air carriers under aircraft interchange agreements.

Z921 Aircraft fuels issued (gallons). The gallons of aircraft fuels issued during the current accounting period for both revenue and nonrevenue flights.

Z922 Aircraft oils issued (gallons). The gallons of aircraft engine oils issued during the current accounting period for both revenue and nonrevenue flights.

Sec. 19-6 Public disclosure of service segment data.

Service segment data in reports submitted by air carriers to the Board, in data banks on magnetic tape maintained at the CAB, and in tabulations prepared from the data banks by CAB shall not be disclosed, except as provided herein:

(a) Data relating to international operations (defined as follows: Service segments with one or both terminals outside of territory under U.S. jurisdiction; service segments coded as applicable to other than domestic operations pursuant to this Part 241, section 21(1); down-line deplanement data on domestic service segments when any down-line point is outside territory under U.S. jurisdiction; and traffic transported statistics on any domestic service segment that is immediately preceded by a service segment whose originating point is outside territory under U.S. jurisdiction), shall only be disclosed as follows:

- (1) Twelve (12) months following the close of the calendar year to which the data relate, (i) to an air carrier currently submitting service segment data relating to international operations, as above defined, pursuant to the requirements of this Part 241; and (ii) to a legal or consulting firm or other organization designated by such air carrier to use on its behalf such data in connection with a specific assignment by such carrier.
- (2) To foreign governments and foreign users as provided in formal reciprocal arrangements between the foreign and U.S. governments for the exchange of comparable service segment data.

(3) To the extent and for the purposes that International O&D Survey data are disclosed pursuant to paragraphs (2) and (3) of § 399.100.

(4) To such persons and in such circumstances as the Board determines to be consistent with its regulatory functions and responsibilities.

(b) Data relating to all operations other than international operations as defined in paragraph (a) of this section shall not be disclosed prior to 12 months following the close of the calendar year to which the data relate, except as follows:

- (1) To parties to any proceeding before the Board to the extent that such data are relevant and material to the issues in the proceeding upon a determination to this effect by the hearing examiner assigned to the case or by the Board. Any data to which access is granted pursuant to this section may be introduced into evidence, subject to the normal rules of admissibility of evidence.
- (2) To agencies and other components of the U.S. Government.
- (3) To such other persons as the Board may determine to be in the public interest.

(c) The Board may, from time to time, publish summary information compiled from the service segment data, in a form which would not identify individual carrier data.

GENERAL REPORTING PROVISIONS—ROUTE AIR CARRIERS

Section 21—Introduction to System of Reports

(a) Each route air carrier subject to the Federal Aviation Act of 1958, as amended, shall file with the Civil Aeronautics Board, monthly, quarterly, semi-annual and annual CAB Form 41 reports of financial and operating statistics as prescribed herein unless waiver is made by the Civil Aeronautics Board.

(b) The system prescribed provides for the submission by each air carrier of five classes of financial and operating statistics, on individual schedules of the CAB Form 41 report, grouped as follows:

- A. Certification.
- B. Balance Sheet Elements.
- P. Profit and Loss Elements.
- T. Traffic and Capacity Elements.
- G. General Corporate Elements.
- D. National Defense Elements.

(c) The prescribed system of reports provides that the frequency of reporting shall be monthly for some schedules, quarterly for some and annually for others. It also provides in some areas for the classification of air carriers into Group I, Group II, and Group III with the form and content differentiated as between groups.

(d) Each schedule of the prescribed CAB Form 41 report has been assigned a specific code. The prefix alphabetical codes A, B, P, T, G, and D, respectively, have been employed to denote certification, balance sheet, profit and loss, traffic and capacity, general corporate, and national defense elements. The digits immediately following the alphabetical prefix designate the particular schedule.

(e) Each air carrier shall submit to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, four (4) copies of each schedule, except as hereinafter indicated in section 22 General Reporting Instructions. All schedules are set up in units of eight sheets each with snap-out interleaf carbons between sheets. The first sheet of each set is of white opaque paper and the second of white translucent paper. The third, fourth, and fifth sheets are of green opaque paper and the sixth, seventh, and eighth are of buff opaque paper. The data columns of the first sheet of certain schedules are separated by perforations to permit disassembly for clipboard statistical processing. The remaining sheets are unperforated and are of a format which permits filing within binders designed for standard 8½" x 14" sheets. The four copies of each schedule filed with the Civil Aeronautics Board shall consist of the original white sheet and the three green sheets.

(f) Wherever practicable the sheets have been designed to permit machine tabulation. Upon approval by the Civil Aeronautics Board, the carrier may supply its own continuous-feed forms provided each schedule conforms with the specifications of the forms prescribed herein.

(g) A good quality black ribbon shall be used in preparing the original copy of each schedule submitted to the Civil Aeronautics Board. In no event shall ditto or similar processes be used nor shall any information be typed on the reverse side of copies submitted to the Civil Aeronautics Board.

(h) [Reserved]

(i) Four separate entities shall be established for the purpose of submitting the reports hereinafter prescribed. They are as follows: (1) Domestic operations; (2) operations via the Atlantic Ocean; (3) operations via the Pacific

Ocean; and (4) operations within the Latin American areas. With respect to the first classification, the domestic entity shall embrace all operations within the 50 States of the United States and the District of Columbia, and shall also include Canadian transborder operations. The reports to be submitted by each entity shall be comparable to those required of a distinct legal entity whether the reporting entity constitutes such an entity, a semiautonomous physically separated operating division of the air carrier, or an entity established for reporting purposes only.

The entities for which separate reports shall be made by the different air carriers are set forth below in the list entitled Route Air Carrier Reporting Entities.

ROUTE AIR CARRIER REPORTING ENTITIES

Air carriers	Entities
Alfrit International, Inc.	Domestic, Latin America.
Air West, Inc.	Domestic.
Alaska Airlines, Inc.	Domestic.
Allegheny Airlines, Inc.	Domestic.
Aloha Airlines, Inc.	Domestic.
American Airlines, Inc.	Domestic, Pacific, Latin America.
Aspen Airways, Inc.	Domestic.
Braniff Airways, Inc.	Domestic, Latin America.
Caribbean-Atlantic Airlines, Inc.	Latin America.
Chicago Helicopter Airways, Inc.	Domestic.
Continental Air Lines, Inc.	Domestic.
Delta Air Lines, Inc.	Domestic, Latin America.
Eastern Air Lines, Inc.	Domestic, Latin America.
The Flying Tiger Line, Inc.	Domestic, Pacific.
Frontier Airlines, Inc.	Domestic.
Hawaiian Airlines, Inc.	Domestic.
Kodiak Airways, Inc.	Domestic.
Los Angeles Airways, Inc.	Domestic.
Mohawk Airlines, Inc.	Domestic.
National Airlines, Inc.	Domestic, Atlantic, Latin America.
New York Airways, Inc.	Domestic.
North Central Airlines, Inc.	Domestic.
Northeast Airlines, Inc.	Domestic.
Northwest Airlines, Inc.	Domestic, Pacific.
Ozark Air Lines, Inc.	Domestic.
Pan American World Airways, Inc.	Domestic, Atlantic, Latin America, Pacific.
Piedmont Aviation, Inc.	Domestic.
Reeve Aleutian Airways, Inc.	Domestic.
San Francisco & Oakland Helicopter Airlines, Inc.	Domestic.
Seaboard World Airlines, Inc.	Atlantic.
Southern Airways, Inc.	Domestic.
TAG Airlines, Inc.	Domestic.
Texas International Airlines, Inc.	Domestic.
Trans Caribbean Airways, Inc.	Latin America.
Trans World Airlines, Inc.	Domestic, Atlantic, Pacific.
United Air Lines, Inc.	Domestic.
Western Air Lines, Inc.	Domestic, Latin America.
Western Alaska Airlines, Inc.	Domestic.
Wien Consolidated Airlines, Inc.	Domestic.

(j) As a general rule separate reports shall be filed for the air carrier and any associated company air carriers as defined in section 03. However, transactions of associated companies in which 100 percent equity control resides in the reporting air carrier shall be consolidated with transactions of the reporting air carrier when such associated companies perform services related to the transport operations of the reporting air carrier almost exclusively and are not engaged in air transportation for their own account.

(k) Generally, nonscheduled services shall be treated as an integral part of the reporting entity to which most closely related without regard to the geographic area in which such nonscheduled services may actually be performed. However, supplemental reports shall be made of nonscheduled services (including services for the Department of Defense) in areas not encompassed by the prescribed reporting entity in any month in which the available ton-miles of such nonscheduled services exceed 5 percent of the total available ton-miles of the reporting entity. Such supplemental reports shall continue until waived by the Board upon a showing that such nonscheduled operations will not in the subsequent 12-month period exceed the 5-percent limit. The supplemental reports to be filed each month or calendar quarter, as applicable, shall be comprised of report schedules D-1, P-5, T-1, and

T-2. Transport and nontransport revenues pertaining to such separately reported nonscheduled services shall be reflected on schedule P-2 each quarter with appropriate cross-references inserted on schedules P-3 and P-4, as applicable.

(l) When and as required in the national interest, any air carrier which performs nonscheduled transport services for the Department of Defense shall, when directed by the Board, make separate reports for such services as if they were conducted by a physically separated transport entity. Such reports shall consist of schedules P-1 through P-9, T-1, and T-2. The letter "D" shall be inserted on such reports, following the schedule number of each P and T schedule. Where a carrier has more than one reporting entity, nonscheduled transport and nonscheduled Defense services shall be assigned to the reporting entity to which more closely related.

Section 22—General Reporting Instructions

(a) The CAB Form 41 report is comprised of schedules to be filed at the frequency indicated below. Four copies of each schedule shall be filed with the Civil Aeronautics Board and shall be received, or postmarked, on or before expiration of the indicated interval subsequent to the period for which the report is being made.

Schedule No.		Filing	
		Frequency	Postmark interval (days)
A	Certification	Quarterly	40
A-1	Status of Accounting Plans Required to be Filed	Annually	40
B-1	Balance Sheet	Monthly	30
B-2	Notes to Balance Sheet	Quarterly	40
B-3	Paid-In Capital; Self-Insurance Reserves and Appropriations of Retained Earnings; Deferred Income Taxes.	do	40
B-4	Reserve for Uncollectible Accounts; Accounts with Subsidiaries, Other Associated Companies and Nontransport Divisions.	do	40
B-5	Property and Equipment	do	40
B-7	Airframes and Aircraft Engines Acquired	do	40
B-7(a)	Reinvestment of Flight Equipment Capital Gains	(1)	(1)
B-7(b)	Flight Equipment Acquired	Quarterly	40
B-8	Property and Equipment Retired	do	40
B-8(a)	Flight Equipment Capital Gains Invested or Deposited for Reinvestment in Flight Equipment	(1)	(1)
B-9	Inventory of Flight Equipment Spare Parts and Assemblies	Annually	90
B-10	Developmental and Preoperating Costs	Quarterly	40
B-12	Statement of Source and Application of Funds	do	40
B-13	Summary of Projected Financial Commitments and Related Deposits	do	40
B-14	Summary of Property Obtained Under Long-Term Leases	do	40
B-41	Investments Held by, or for the Account of, Respondent	Annually	90
B-42	Accounts 1410 Short-Term Prepayments, 1550 Special Funds—Other, 1820 Long-Term Prepayments, 1880 Other Intangibles, 1890 Other Deferred Charges, 2390 Other Deferred Credits.	do	90
B-43	Inventory of Airframes and Aircraft Engines	do	90
B-44	Summary of Resources Exchanged With Affiliated Group Members and Other Associated Companies.	do	90
B-46	Long-Term and Short-Term Nontrade Debt	do	90
P-1.1	Memorandum Subclassification of Ground Property Investment	Quarterly	30
P-1.2	Income Statement—Group I Air Carriers	do	40
P-1.2	Income Statement—Group II and Group III Air Carriers	do	40
P-1(a)	Interim Income Statement	do	40
P-2	Notes to Income Statement	Monthly	30
P-2(a)	Revenue Market Report	Quarterly	40
P-3	Transport Revenues; Depreciation and Amortization; Nonoperating Income and Expense (net).	do	40
P-3(a)	Income Taxes	do	40
P-4	Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments.	do	40
P-5.1	Aircraft Operating Expenses—Group I Air Carriers	do	40
P-5.2	Aircraft Operating Expenses—Group II and Group III Air Carriers	do	40
P-5(a)	Components of Flight Equipment Depreciation	do	40
P-6	Maintenance; Passenger Service, and General Services and Administration Expense Functions—All Air Carrier Groups.	do	40
P-7	Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions—Group II and Group III Air Carriers.	do	40

Schedule No.		Filing	
		Frequency	Postmark interval (days)
P-8	Aircraft and Traffic Servicing, and Promotion and Sales Expense Subfunctions—Group III Air Carriers.	do.	40
P-9.1	Distribution of Ground Servicing Expenses by Geographic Location—Group I Air Carriers.	do.	40
P-9.2	Distribution of Ground Servicing Expenses by Geographic Location—Group II and Group III Air Carriers.	do.	40
P-10	Payroll.	do.	40
P-11	Taxes.	Annually.	90
T-1	Memorandum Subclassification of Selected Reported Expenses.	Quarterly.	50
T-2	Traffic and Capacity Statistics by Class of Service.	Monthly.	30
T-3	Traffic, Capacity, Aircraft Operations, and Miscellaneous Statistics by Type of Aircraft.	Quarterly.	30
T-4	Airport Activity Statistics.	do.	30
T-5	Summary of Civil Aircraft Charters.	do.	40
T-6	Statistical Market Report.	Monthly.	30
T-7	Charter and Special Services Revenue Aircraft Miles Flown; Calculation of Limitation of Charter Trips.	(1a)	30
G-41	Persons Holding More Than 5 per centum of Respondent's Capital Stock or Capital.	Annually.	90
G-42	Compensation and Expenses of All General Officers and Directors and of Management Personnel Receiving \$20,000 or More Per Annum for Personal Services.	do.	90
G-43	Compensation and Expenses of Persons and Firms (Other Than Directors, Officers and Employees) Receiving \$5,000 or More During the Calendar Year.	do.	90
G-44	Corporate and Securities Data.	do.	90
D-1	Services Performed for the Defense Establishment.	Quarterly.	40

¹ In accordance with the provisions of §§ 235.4 and 235.5 of Part 235 of this subchapter.

^{1a} For the first 9 months and for the 12 months of each calendar year.

² Interval relates to receipt by the Board in Washington, D.C., rather than postmark for these schedules.

(b) Each air carrier shall file the schedules of the CAB Form 41 reports with the Civil Aeronautics Board in accordance with the above instructions, except that B and P report schedules for the final quarter of each calendar year may be extended to 90 days following the year's end: *Provided*, That preliminary schedules B-1 and P-1(a) are submitted within the standard prescribed 30-day filing period; and that preliminary schedules P-1.1 or P-1.2, P-3, and P-3(a) are submitted within the standard prescribed 40-day filing period. For the third month of any calendar quarter, schedule P.1(a) need not be filed, provided that schedule P-1.1 or P-1.2 for the quarter is submitted within 30 days rather than the standard prescribed 40-day filing period. Reports on schedules B-1 and P-1(a) for each month shall be withheld from public disclosure, subject to the same exceptions as those set forth in section 19-6, until such time as (1) the quarterly financial reports are due, (2) the quarterly financial reports are filed or (3) information covered by monthly reports is publicly released by the carrier concerned, whichever first occurs. At the request of an air carrier, and upon a showing by such air carrier that public disclosure of its preliminary year-end report would adversely affect its interests and would not be in the public interest, the Board will withhold such preliminary year-end report from public disclosure until such time as (1) the final report is filed, (2) the final report is due or (3) information covered by the preliminary report is publicly released by the carrier concerned, whichever first occurs.

(c) If circumstances prevent the filing of a report within the prescribed time limit, consideration will be given to the granting of an extension upon receipt of a written request therefor. Such a request must set forth good and sufficient reason to justify granting the extension, must set forth the date when the report

can be filed, and be submitted sufficiently in advance of the due date to permit proper time for consideration and communication to the air carrier of the action taken. Except in cases of emergency no such request will be entertained which is not postmarked in sufficient time to normally reach the Civil Aeronautics Board at least 24 hours before the prescribed due date. If a request is denied, the air carrier remains subject to the filing requirements to the same extent as if no requests for extension of time had been made.

(d) Statements of accounting or statistical procedures required to be filed under this system of accounts and reports are recapitulated below. These statements or revisions thereof shall be filed prior to the date on which the procedures are to become effective and shall be regarded as accepted unless the carrier is notified of Board objections within 30 days after receipt. The Board may require modification of any previously effective procedure covered by such statements after 60-days' notice to the carrier. These statements shall be filed in triplicate, with each statement submitted on a separate page to facilitate processing and filing.

(1) Procedures for assigning or prorating profit and loss items between operating entities, as prescribed by section 2-1(b).

(2) Procedures for retroactive adjustments made to conform accounts with mail rate actions, as required by section 2-4(d).

(3) Procedures for accrual of self-insurance reserves, as prescribed by section 2-13(c).

(4) Procedures for establishment of expense equalization reserves, as prescribed by section 2-13(b).

(5) Procedures for depreciation of property and equipment, as prescribed by section 2-14(b).

(6) Procedures of accounting for airframe and aircraft engine overhauls and airworthiness reserves as prescribed by section 5-4(g) (8).

(7) Procedures for amortization of developmental and preoperating costs and other intangibles, as prescribed by section 5-5(b), section 6-1870(c), and section 6-1880.

(8) Procedures for the accrual of obsolescence and deterioration reserves for flight equipment expendable parts, as required by section 6-1311(d).

(9) Procedures for accrual of unearned transportation revenues, as prescribed by sections 2-17(b) and 6-2160(d).

(10) Procedures for assigning or prorating expenses between incidental services and transport operations, as prescribed by section 9-4600(d).

(11) Procedures for applying maintenance burden, as prescribed by section 10-5300(c), section 11-5300(c) and section 24, Schedule P-6, paragraph (f).

(12) Procedures for computing available seat-miles and available ton-miles for each aircraft type, as required by paragraph (g), in section 25, Schedule T-3.

(13) Procedures for the accrual of vacation liability, as required by Section 6-2120(c).

(14) Procedures for accounting for investments in subsidiary and other associated companies, including change in status from associated to subsidiary company, or vice versa, and adjustments in investment accounts, as prescribed by section 6-1510(c).

(e) All financial data reported on B, P, and G schedules shall reflect the status of the air carrier's books of account for the period for which report is being made and shall conform to the instructions of this Uniform System of Accounts and Reports. At the option of the air carrier financial data may be reported in thousands of dollars by Group III air carriers, and in whole dollars by Group I and Group II air carriers, by either dropping or rounding the hundreds of dollars and the cents respectively, provided all amounts are balanced within and between schedules and zero digits are inserted for the actual money amounts eliminated.

(f) Traffic and other operational statistics included in schedules of the CAB Form 41 reports shall reflect data pertaining to the month, quarter or 12-months-to-date period for which the report is being made.

(g) Adjustments correcting errors in previously reported traffic and other operational statistics shall not be included in data reported in schedules for the current period but shall be effected by submission of corrected schedules for the period to which applicable or, if only a few items are involved, by written notice and authorization to the Civil Aeronautics Board to correct previously filed reports except that any correction which amounts to less than one-half of one percent (0.5%) of the corrected amount for the month to which related may be included in the report for the current month provided the amount of

the correction is clearly noted on the Form 41 Report.

(h) All letters and statements of correction or revision of reported data shall be a part of the CAB Form 41 reports.

(i) All changes in accounting methods having a material impact upon the particular financial elements involved, and all changes in methods of computing and reporting traffic and capacity statistics having a material impact upon the particular statistic involved shall be adequately explained and identified in the report first reflecting such changes. Such explanations related to financial position or financial results shall be made on schedules B-2 and P-2—Notes to Balance Sheet and Notes to Income Statement, respectively. Changes in methods for computing or reporting traffic and capacity statistics shall be identified and explained on a separate sheet attached to the first report affected. (See sec. 2-16.) The reporting requirements shall not be construed, in any sense, as relieving the air carrier of the responsibility for conforming its procedures to those otherwise prescribed in this system of accounts and reports.

(j) All financial statements released by carriers to the public reflecting a financial position or operating results for dates or reporting periods not covered by reports on file with the Board shall be filed with the Board simultaneously with their public release.

FINANCIAL—ROUTE CARRIERS

Section 23—Certification and Balance Sheet Elements

Schedule A—Certification

(a) The certification of the CAB Form 41 report shall be signed by an elective corporate officer, executive or director, or such other person as may be authorized by the carrier to sign the certification provided a written authorization disclosing the individual's name and title is forwarded to the Civil Aeronautics Board. Since corrections or revisions of reported data are a part of the CAB Form 41 report, all correspondence relating to such matters shall be signed only by persons authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in Schedule A thereof, shall read as follows:

I, the undersigned _____
(Title of officer in charge of accounts)
of the _____
(Full name of the reporting company)
do certify that this report and all schedules and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals, of the operating revenues and expenses, income items, assets, liabilities, capital, surplus, and operating statistics for the periods reported in the several schedules; that the various items herein reported were

determined in accordance with the Uniform System of Accounts and Reports for Certificated Air Carriers prescribed by the Civil Aeronautics Board; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in explanations accompanying the financial and statistical statements.

Schedule A-1—Status of Accounting Plans Required To Be Filed

(a) This schedule shall be filed by all route carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The indicated data shall be entered on this schedule for each accounting plan listed in section 22(d).

(d) Columns 1 and 2 shall reflect the title of the accounting plan and its applicable section under this Uniform System of Accounts and Reports.

(e) Column 3 shall indicate for each plan, by insertion of either "Yes" or "No", whether the plan was revised this period.

(f) Columns 4 and 5 shall reflect for each plan the date filed with the Board and its effective date.

Schedule B-1 Balance Sheet

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall reflect the balances at the close of business on the last day of each calendar month for the overall or system operations of each air carrier in conformance with the provisions of sections 4, 5, and 6.

(c) Individual proprietors or partners shall report the aggregate capital contributed by the proprietor or partners in account 2890 Other Paid-In Capital.

Schedule B-2—Notes to Balance Sheet

(a) This schedule shall be filed by all route air carriers.

(b) All substantive matters which may influence materially interpretations or conclusions in regard to the financial condition of the air carrier which are not clearly identified in the body of the balance sheet shall be completely and clearly stated in this schedule and cross-referenced to the affected balance sheet account.

(c) The amounts and estimated delivery dates of any purchase commitments of material size and not of a recurrent routine character shall be explained on this schedule. In the case of commitments involving flight equipment, the amount for each equipment type may be given in total, including any engines, airframes and spares; but the number of airframes and the number of engines by type shall be given, as well as the estimated delivery date for each complete aircraft. Reports on commitments other than for flight equipment are required only in the December 31 report of each calendar year.

(d) The balances in subaccounts of balance sheet account 2390 Other Deferred Credits titled "Investment Tax Credits Available" and "Unrealized Investment Tax Credits" shall be set forth

in this schedule as at the end of each calendar quarter.

(e) This schedule shall reflect at the end of each calendar quarter the amount reported in balance sheet account 1550 Special Funds—Other representing funds segregated, or on deposit with manufacturers, for the purchase of equipment, including any capitalized interest thereon. (See section 2-10 Capitalization of Interest.)

(f) The conversion from the cost method to the equity method of carrying investments in subsidiary companies shall be explained on this schedule and cross-referenced to Schedule P-2—Notes to Income Statement. Any change in the basis of accounting for investments in subsidiary and other associated companies (e.g., change from associated to subsidiary company or vice versa) shall be noted here and reported as required by section 22(d).

(g) Amounts of adjustments resulting from the physical verification of passenger revenue accounting practices required by section 2-17 shall be reported herein for the quarter in which the adjustment takes place.

Schedule B-3—Paid-in Capital; Self-Insurance Reserves and Appropriations of Retained Earnings; Deferred Income Taxes

(a) This schedule shall be filed by all route air carriers.

(b) Each class and series of the air carrier's capital stock, as at the end of each calendar quarter, shall be listed and the indicated information entered within the "Paid-In Capital" section of this schedule.

(c) All transactions and amounts affecting paid-in capital during the current quarter shall be fully explained for each class and series of capital stock to which related. Total paid-in capital and total treasury stock reported on this schedule as at the end of each calendar quarter shall agree with corresponding amounts reported on schedule B-1 Balance Sheet.

(d) Individual proprietors or partners shall reflect the name of the proprietor or each partner at the head of the columns captioned "Class of Stock" and the balance of contributions to the business entity by the proprietor or each partner on line 11 Total Paid-In Capital.

(e) All credits and debits to self-insurance reserves and appropriations of retained earnings, respectively, shall be identified and explained in the "Self-Insurance and Appropriations of Retained Earnings" section of this schedule. The balances of accounts 2350 Reserve for Self-Insurance and 2930 Appropriations of Retained Earnings as at the end of each calendar quarter shall agree with corresponding amounts reported on schedule B-1—Balance Sheet.

(f) Column 1 of the "Deferred Income Tax" section of this schedule shall identify the source of each type of tax deferral; for example, depreciation under § 167 of the Internal Revenue Code, or deferred training costs. The amounts reflected in column 2 shall agree with

amounts reflected in column 6 for the same sources at the close of the preceding quarter. The amounts reflected in column 6 shall, in aggregate, agree with amounts reported on schedule B-1 at the close of the current quarter for deferred income taxes. Columns 3, 4, and 5, respectively, shall reflect gross provisions, gross applications and adjustments of deferred income taxes during the current quarter for each tax source reflected in column 1. Adjustments reflected in column 5 shall be fully explained on schedule P-4 and cross-referenced thereon to this schedule.

Schedule B-4—Reserve for Uncollectible Accounts; Accounts With Subsidiaries, Other Associated Companies and Nontransport Divisions

(a) This schedule shall be filed by all route air carriers.

(b) Each reserve for uncollectible accounts shall be separately identified in the indicated section of this schedule. Columns 1 and 2 shall reflect the account number and the description of the asset against which each reserve is provided. The balance of each reserve as at the end of each quarter shall agree with corresponding amounts reported on schedule B-1—Balance Sheet.

(c) In the "Accounts With Subsidiaries, Other Associated Companies and Nontransport Divisions" section of this schedule, Column 1 shall list the name of each associated company and describe each nontransport division. Associated companies shall be separately grouped and subtitled according to those in which the air carrier holds in excess of 50 percent of the voting capital stock and those in which the air carrier holds 50 percent or less of the voting capital stock. The respective groups shall be captioned "Subsidiaries" and "Other Associated Companies."

(d) Column 4 "Investments at Cost" shall reflect the cost to the air carrier at date of acquisition of investments in associated companies. The cost of investments in subsidiary companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity in Undistributed Earnings," shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.1 Investments in Subsidiary Companies. The cost of investments in other associated companies shall agree with the corresponding amounts in balance sheet subaccount 1510.2 Investments in Other Associated Companies.

(e) Column 5 "Equity in Undistributed Earnings" shall reflect the equity in undistributed earnings or losses of subsidiary companies since acquisition.

Schedule B-5—Property and Equipment

(a) This schedule shall be filed by all route air carriers.

(b) A complete report shall be made on this schedule for the overall or system operations conducted by the air carrier.

(c) Column 3, "Additions" shall reflect the book cost of property and equipment acquired and the cost of im-

provements, betterments or other additions to each class of property and equipment during the current quarter.

(d) Column 4, "Retirements" shall reflect the book cost of each class of property and equipment retired during the current quarter. The amounts in this column shall agree by accounts with the amounts shown in column 7 of Schedule B-8—Property and Equipment Retired.

(e) Column 5, "Transfers between Property Accounts" shall reflect the book cost of property and equipment reclassified between property and equipment accounts during the current quarter. Credit transfers from an account shall be indicated by an asterisk (*).

(f) Column 6, "Transfers between Other Accounts" shall reflect the cost of assets reclassified as between property and equipment and other balance sheet accounts during the current quarter and identification of the contra accounts affected by the transfer. Credit transfers shall be indicated by an asterisk (*). The cost of property and equipment and the related balances in reserves for depreciation and airworthiness at the end of each quarter shall agree with corresponding amounts reported on Schedule B-1—Balance Sheet.

(g) Column 8, "Reserve for Depreciation—Regulatory Components" shall include the accumulation of all provisions for losses due to use and obsolescence computed in accordance with such standards as may be or are prescribed for regulatory purposes. Column 9, "Reserve for Depreciation—Other Components" shall reflect the difference between the amounts in columns 8 and 10 of this schedule. Column 10, "Reserve for Depreciation—Carrier Total" shall include the accumulations of all provisions for losses due to use and obsolescence accrued by carrier management for accounting purposes.

Schedule B-7—Airframes and Aircraft Engines Acquired

(a) This schedule shall be filed by all route air carriers except local service air carriers.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model. Airframe units leased from others for a period or more than 90 days shall be reported in a separate subsection of this schedule. In addition, a notation shall be made by license number of airframe units of the air carrier returned after lease to others for a period of more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(c) All dates shall indicate the day, the month and the year; shall be provided on a unit basis for airframes only; and, shall be reported for each aircraft engine group by date of transaction.

(d) Report shall be made in the quarter in which each airframe and each group of aircraft engines is actually acquired irrespective of whether the cost thereof is reflected in the property and equipment accounts during the current quarter or a subsequent quarter. If the cost data are not reflected in the current quarter a footnote to that effect shall accompany the report of acquisition. The costs shall be reported during the quarter in which determined and the equipment to which related shall be listed again in this schedule, with complete information, and shall be identified as being the same equipment reported at the earlier date.

(e) Column 2, "Date Placed in Transport Service" shall relate to airframes only and shall be the date on which each airframe was or will be placed in regular service by the reporting entity. If this date is not known at the time of submission of the report an estimated date bearing the notation "estimate" shall be provided with the exact date shown by footnote on a subsequent schedule B-7 in which the airframe is reidentified by license number, type of aircraft and date acquired.

(f) Column 8, "Maximum Continuous Horsepower" shall reflect the maximum continuous horsepower rating of each type of aircraft engine acquired. (See section 03 for definition as applied in this system of accounts and reports.)

(g) Column 9, "Aircraft Engines per Airframe" shall reflect the number of aircraft engines for which each acquired airframe is designed.

(h) Column 10, "Maximum Seat Capacity" shall reflect the number of passenger seats installed in each airframe acquired. When the configuration of airframes provides sleeping accommodations the passenger capacity shall be shown in terms of a sleeper version and a non-sleeper version. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(i) Column 11, "Cost" shall agree in totals for airframes and aircraft engines, respectively, with the corresponding cost of additions reported in schedule B-5, column 3, "Additions".

(j) Columns 12 and 15, "Reserve for Depreciation" and "Flight Equipment Airworthiness Reserves", respectively, shall include the amount of such reserves applicable to property and equipment transferred from nontransport divisions.

Schedule B-7(a)—Reinvestment of Flight Equipment Capital Gains

(a) This schedule shall be filed by each carrier which desires to establish that it is entitled to the benefit of Section 406(d) of the Act and which has filed schedule B-8(a) notifying the

Board that it has reinvested the capital gains reported thereon in flight equipment and/or used the capital gains in retirement of debt contracted for the purchase or construction of flight equipment.

(b) Column 1 "Description of Flight Equipment Acquired and Debt Retired" shall identify the specific items of flight equipment acquired, the applicable account number, and the particular issue of debt being retired including a description of the flight equipment for which such debt was contracted, the type of obligation, date of maturity, interest rate, commitment fees, and, if applicable, name of creditor.

(c) Column 2 "Date of Application of Gain" shall include the day, month, and year on which the gain was applied to each item of flight equipment or to liquidation of debt.

(d) Column 3 "Cost" shall include the total amount of cash or its equivalent actually paid to acquire each item of equipment or to liquidate debt incurred in the purchase or construction of flight equipment.

(e) Column 5 "Source of Gains" shall identify the gain, reported on schedule B-8(a), which has been reinvested.

(f) This schedule shall include a separate memorandum summary of the re-equipment funds in account 1550 Special Funds—Other, under benefit of section 406(d) of the Act. The summary shall list the date of sale or other disposition from which the gain was derived and the related balance remaining in account 1550.

Schedule B-7(b)—Flight Equipment Acquired

(a) This schedule shall be filed by each local service air carrier.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model. Data pertaining to propellers, aircraft navigation and communication equipment, miscellaneous flight equipment, and flight equipment rotatable parts and assemblies shall be reported in aggregate for each such property classification. Where the acquisition of various units of flight equipment is priced as a single transaction, the cost shall be apportioned to each classification and, within the airframe and engine classifications, to each airframe and each type or model of engine, respectively, with explanation in footnote. A separate subsection shall show, for each type of airframe acquired, the average value of items of navigation and communication equipment and miscellaneous flight equipment required for installation in ordinary operation. Airframe units leased from others for more than 90 days shall be reported in an additional subsection. Also, a notation shall be made by license number for airframe units of the air carrier returned after lease to others for more

than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(c) Dates for acquisition of individual airframes and groups of aircraft engines shall indicate the day, month, and year. Dates for all other flight equipment shall indicate the month and year of acquisition. The number of aircraft engines and propellers acquired shall be indicated in column 5 "Number of Units Acquired."

(d) Report shall be made in the quarter in which flight equipment is actually acquired irrespective of whether the cost thereof is reflected in the property and equipment accounts during the current quarter or a subsequent quarter. If the cost data are not reflected in the current quarter, a footnote to that effect shall accompany the report of acquisition. The costs shall be reported during the quarter in which determined, and the equipment to which related shall be listed again in this schedule with complete information and shall be identified as being the same equipment reported at the earlier date.

(e) Column 2, "Date Placed in Transport Service," shall relate to airframes only and shall be the date on which each airframe was or will be placed in regular service by the reporting entity. If this date is not known at the time of submission of the report, an estimated date bearing the notation "estimate" shall be provided with the exact date shown by footnote on a subsequent schedule B-7 (b) in which the airframe is reidentified by license number, type of aircraft and date acquired.

(f) Column 8, "Maximum Continuous Horsepower/Pounds Thrust" shall reflect, as appropriate, the maximum continuous horsepower rating or pounds of maximum continuous static thrust for each type of aircraft engine acquired. (See section 03 for definition as applied in this system of accounts and reports.)

(g) Column 9, "Aircraft Engines per Airframe" shall reflect the number of aircraft engines for which each acquired airframe is designed.

(h) Column 10, "Maximum Seat Capacity" shall reflect the number of passenger seats installed in each airframe acquired. When the configuration of airframes provides sleeping accommodations, the passenger capacity shall be shown in terms of a sleeper version and a non-sleeper version. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(i) Column 11, "Cost" shall agree in totals for each property classification with the corresponding cost of additions reported in schedule B-5 column 3, "Additions."

(j) Column 12, "Estimated Value of Overhaul Acquired" shall reflect the value of the remaining unexpired over-

haul hours with respect to each airframe or aircraft engine, before relicensing is required, at the date of acquisition.

(k) Column 13, "Estimated Cost of Full Overhaul" shall reflect the entire cost of overhaul for each airframe and aircraft engine on either a periodic or phase overhaul basis. In the latter case, this column shall include the cost of all operations which would encompass a full overhaul. (See sec. 5-4(f) for definition of "overhaul".)

(l) Column 14, "Reserve for Depreciation" shall include the amount of such reserve applicable to property and equipment transferred from nontransport divisions.

(m) Column 15, "Estimated Residual Value" shall reflect in dollars the residual value assigned to the equipment acquired exclusive of any amount reported in columns 12 and 13.

(n) Column 16, "Estimated Depreciable Life (mos.)" shall reflect the estimated depreciable life of each airframe and each group of aircraft engines in months (e.g., 144).

Schedule B-8—Property and Equipment Retired

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported for the sale or retirement of each airframe, each type of aircraft engine (stating the number of units retired) and, to the extent retired along with airframes and engines, in aggregates by accounts, for operating property and equipment included in accounts 1603 through 1608 and nonoperating property and equipment included in accounts 1703 through 1708. Disposition of properties in accounts 1603 through 1608 and 1703 through 1708 not related to airframe and aircraft engine retirements shall be reported in a separate group for each account. Ground property and equipment disposed of shall be reported in aggregate for all accounts, with subdivisions between operating and nonoperating property and equipment. Airframe units leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule. In addition a notation shall be made by license number and name of lessee of airframe units leased to others for a period of more than 90 days. Airframe units leased under interchange arrangements shall not be so reported.

(c) Retirements shall be listed in the numerical sequence of the property and equipment account to which related.

(d) All dates shall include the day, the month and the year of each transaction.

(e) Column 7, "Cost" shall agree in totals for each account with the corresponding cost of property and equipment retired and as reported in schedule B-5, column 4, "Retirements".

(f) Column 10, "Realization" shall reflect the proceeds from disposition, including any insurance proceeds or amounts covered by a self-insurance reserve established in accordance with section 2-13(c).

(g) Column 12, "Gain or Loss" shall, in aggregate for retirements of all property and equipment together with gain or loss on sale of securities, agree with amounts reflected by the air carrier on schedule P-3 in profit and loss subaccounts 81.1 Capital Gains and Losses—Operating Property and 81.2 Capital Gains and Losses—Other.

(h) Column 13, "Disposition", shall reflect the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged if not sold. Items included in accounts 1603 through 1608, and 1703 through 1708, sold as a part of airframe or aircraft engine sales transactions, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected, while all ground property dispositions shall be reported in a single aggregate and need not be identified by names of the buyers.

Schedule B-8(a)—Flight Equipment Capital Gains Invested or Deposited for Reinvestment in Flight Equipment

(a) This schedule shall be filed by each carrier which desires to establish that it is entitled to the benefits of Section 406(d) of the Act and which has reinvested or intends to reinvest gains derived from the sale or other disposition of flight equipment pursuant to Part 235 of the Economic Regulations.

(b) Column 1, "Description of Flight Equipment Retired" shall identify the various items of flight equipment retired including the applicable account number.

(c) Column 2, "Date of Sale or Other Disposition" shall include the day, the month and the year on which each item was sold or otherwise disposed of within the meaning of § 235.1(b) of Part 235.

(d) Column 8, "Net Amount of Gain" shall reflect the net of column 5 minus columns 6 and 7; an entry shall be made transferring an amount equal to the amount in column 8 from account 2940 Unappropriated Retained Earnings to account 2930 Appropriations of Retained Earnings. If an initial measurement of gain is subject to adjustment to reflect losses which result upon collection of installment sales or in converting proceeds to cash, the adjustment should be reported at the time the loss is determined. Upon the investment of gains in flight equipment, an equivalent amount may be returned to account 2940 Unappropriated Retained Earnings.

(e) Column 9, "Disposition" shall reflect the name of the person or organization to which the flight equipment is sold or a notation as to the nature of the disposition if not sold.

(f) Columns 10 and 11 shall reflect the date and amount of each gain deposited in a re-equipment fund for reinvestment in flight equipment. Such deposits shall be recorded in account 1550 Special Funds—Other.

(g) Column 12 shall identify the assets in the fund and shall indicate the location of the fund if not in immediate physical possession of the air carrier.

(h) This schedule shall include a separate memorandum summary of the re-equipment funds in account 1550 Special Funds—Other, under benefit of section 406(d) of the Act. The summary shall list the date of sale or other disposition from which the gain was derived and the related balance remaining in account 1550.

Schedule B-9—Inventory of Flight Equipment Spare Parts and Assemblies

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported separately for each class of airframe parts, aircraft engine parts and other flight equipment parts, by types of airframes or aircraft engines to which applicable, or as "interchangeable" when applicable to more than one aircraft or engine type and shall be reported separately for expendable parts and rotatable parts and assemblies. Expendable parts and rotatable parts shall be separately grouped, subtitled in columns 2 through 8, and identified in column 1 by asset account number.

(c) Column 2, "Inventory at End of Period" shall reflect the book balance for each class of parts and assemblies reflected in column 1 as at the close of the 12-month period for which report is being made and shall agree, in aggregate for expendable parts and rotatable parts separately, with the respective balances reflected for such asset classifications in the current schedule B-1 Balance Sheet.

(d) Column 3, "Inventory Subject to Loss Provisions," shall reflect for each class of flight equipment expendable parts reflected in column 1 the predetermined level of inventory against which a reserve for loss in value is being accrued.

(e) Column 4, "Balance Beginning of Period," shall reflect the balance of accumulated valuation reserve provisions existing for each classification reflected in column 1 as at the beginning of the 12-month period for which report is being made and shall agree with the balances shown in column 7, Balance End of Period, on the next previous report.

(f) Column 5, "Provisions During Period," shall reflect for each classification shown in column 1 the net provisions to valuation reserves against flight equipment parts and assemblies during the 12-month period for which report is being made, net of adjustments for inventory declines. The amounts reported in this column for expendable parts shall agree with the amounts reported in account 73 for the same 12-month period.

(g) Column 6, "Retirements During Period," shall reflect for each classification shown in column 1 the portion of accumulated valuation reserve provisions for flight equipment parts and assemblies absorbed in abandonment or other retirements of parts and assemblies during

the 12-month period for which report is being made.

(h) Column 7, "Balance End of Period," shall reflect the balance of accumulated valuation reserve provisions for each classification shown in column 1, existing as at the close of the 12-month period for which report is being made and shall agree, in aggregate for expendable and rotatable parts, separately, with the respective current balances reflected for such asset classifications in schedule B-1 Balance Sheet.

(i) Column 8, "Cost Less Valuation Reserves," shall reflect the differences between columns 2 and 7.

Schedule B-10—Developmental and Preoperating Costs

(a) This schedule shall be filed by all route air carriers.

(b) Separate copies of this schedule shall be filed for projects directly applicable to each separate operating entity of the air carrier and for the air carrier as a whole covering projects which are applicable in common to all transport operating entities.

(c) Column 1 shall reflect an identification and complete description of each project for which costs are deferred in balance sheet account 1830. The description shall include the CAB Docket number in cases of projects involving a proceeding before the Civil Aeronautics Board.

(d) Explanation of the amounts included in column 3 shall disclose the general characteristics of the amounts deferred during the current quarter for each project, for example, the cost of regulatory proceedings; the cost of pilot, mechanic and ground crew training; special engineering; aircraft development flights; publicity flights; and route familiarization flights.

(e) Column 6, "Unamortized Balance—End of Quarter" shall in total agree, when aggregated for the air carrier as a whole, with the corresponding balance of account 1830 shown in schedule B-1—Balance Sheet.

(f) Column 7, "Development Costs Charged to Account 89" shall reflect costs incurred in projects which do not contribute to or protect air transportation services of the air carrier.

Schedule B-12 Statement of Source and Application of Funds

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) In determining funds from operations, net income as reported in item 9799 on Schedule P-1.2 shall be increased by the indicated nonfund charges and shall be decreased by nonfund credits such as gains on property retirements and undistributed earnings of subsidiaries. The nonfund credits shall be included net on line 6 "Other nonfund items." If the amount reported on line 6, line 12, or line 19 exceeds 5 percent of the total sources or applications, a foot-

note shall be added to this schedule disclosing the component amounts.

(d) Generally, all items shall be reported in gross amounts. Thus nonfund exchanges of bonds or capital stock for fixed assets shall be reported as a source of funds from the incurrence of debt or issuance of stock and a concurrent application of funds for the asset acquisition. Likewise, the conversion of debt for capital stock shall be reported as a source of funds for capital stock issued and an application of funds for the debt retired.

Schedule B-13 Summary of Projected Financial Commitments and Related Deposits

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The indicated data shall be reported in columns 2 through 9 for all firm programs for property acquisition and debt retirement. The total estimated cost of each program shall be reported in column 2, and the amounts reflected in columns 3 through 9 shall agree in total with the amount in column 2.

(d) Financing for which firm arrangements have been made to meet the total projected commitments shall be reported in columns 5 through 9 by appropriate caption under scheduled financing. Financing to be scheduled reported on line 21 shall equal line 12 minus line 17. The use of lines 19 and 20 to indicate, generally, whether funds to be scheduled are expected to be obtained through internal or external sources is optional.

Schedule B-14—Summary of Property Obtained under Long-Term Leases

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) This schedule shall reflect data for all leases in force at the report date which have a term or terms in excess of 3 years including terms of extension or renewal at the option of the lessee. However, leases of property and equipment, other than flight equipment, which are not of material financial impact may be excluded: *Provided*, That a statement is submitted for approval by the Board's Director, Bureau of Accounts and Statistics, which describes the policy applied for exclusion of leases not considered material and the percentage of the total lease commitment which they represent.

(d) Column 3 "Cost" shall reflect the estimated cost to the lessor if stipulated in the lease agreement. If the lessor's cost is not stipulated, it shall be determined, based on the cost of comparable owned property or equipment, the market value of comparable property or equipment of independent appraisals; and such estimates, together with sufficient documentary evidence and factual support, shall be submitted to the Director, Bureau of Accounts and Statistics, for approval.

(e) The indicated lease costs and approximate annual lease cost components shall be reported in columns 5 through

11. The imputed interest rate shall be reported in column 12 and the remaining months of the lease shall be reported in column 13. Column 14 shall indicate whether the lease contains purchase option provisions by insertion of the word "Yes" or "No."

Schedule B-41—Investments Held by, or for the Account of, Respondent

(a) This schedule shall be filed by all route air carriers.

(b) The data shall be grouped and separately subtotaled according to: (1) Investments in subsidiary companies; (2) investments in other associated companies, and investments in other than associated companies; and (3) notes and accounts receivable due to the air carrier one year beyond the date of the report.

(c) Column 1 shall reflect the name of each associated company, and each other issuer of securities held by the air carrier. This column shall also reflect the name of each company from which non-current notes and accounts receivable are due to the air carrier.

(d) Column 2 shall reflect the type of security, such as stocks, bonds, notes, etc., with respect to investments, and the words "a/c rec." or "notes rec.", as appropriate, with respect to noncurrent receivables.

(e) Column 3 shall reflect the words "yes" for investments held in the name of the air carrier and "no" for investments held in the name of others for the account of the air carrier.

(f) Column 4 "Cost" shall reflect the cost of the investments to the carrier. The cost of investments in subsidiary companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity or Book Value", shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.1 Investments in Subsidiary Companies. The cost of investments in other associated companies shall agree in total with corresponding amounts reflected in balance sheet accounts 1510.2 Investments in Other Associated Companies and 1530 Other Investments and Receivables, respectively.

(g) Column 5 "Equity or Book Value" shall reflect the equity in undistributed earnings or losses of subsidiary companies since acquisition, or the book value of investments in other associated companies and other than associated companies as of the date of this schedule. This column does not apply to investments in industry-owned service organizations which operate on a nonprofit basis.

(h) Column 6 "Number of Shares or Debt Principal Amount" shall reflect the number of shares of stock or the principal amount of bonds or notes held by the carrier.

Schedule B-42—Accounts 1410 Short-Term Prepayments, 1550 Special Funds—Other, 1820 Long-Term Prepayments, 1880 Other Intangibles, 1890 Other Deferred Charges, 2390 Other Deferred Credits

(a) This schedule shall be filed by all route air carriers.

(b) The data in this schedule shall be grouped and subtotaled for each indicated balance sheet account in numerical order and shall identify the nature and amount of each item included in each such balance sheet account as at the close of the current accounting period.

Schedule B-43—Inventory of Airframes and Aircraft Engines

(a) This schedule shall be filed by all route air carriers.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported on a group basis by type of engine and by type of aircraft to which related.

(d) Data in this schedule shall be grouped and subtotaled as between data pertaining to airframes and data pertaining to aircraft engines. Data pertaining to nonoperating airframes and aircraft engines shall be reported in a group below the data for operating equipment.

(e) The data to be reported shall include owned and rented airframes and aircraft engines currently in operation or in conversion. Data pertaining to rented airframes and aircraft engines shall be listed in columns 1 through 7 and in column 13; the cost of improvement thereto shall be listed in columns 8 through 12.

(f) Column 8, "Cost" shall agree in totals for owned and operating airframes and aircraft engines, respectively, with corresponding amounts reflected in accounts 1601 and 1602 in column 7 of Schedule B-5 as at December 31 of the reporting year.

(g) Column 9, "Reserve for Depreciation" shall include the accumulations of all provisions for losses due to use and obsolescence as recorded in balance sheet accounts 1611 Reserve for Depreciation—Airframes and 1612 Reserve for Depreciation—Aircraft Engines.

(h) Column 10, "Depreciated Cost" shall reflect Cost (column 8) less Reserve for Depreciation (column 9).

(i) Column 11, "Estimated Residual Value" shall reflect in dollars the residual value assigned to airframes and aircraft engines respectively, including any overhaul value not subject to depreciation.

(j) Column 12, "Estimated Depreciable Life (Months)" shall reflect the estimated depreciable life of each airframe and each group of aircraft engines.

(k) Column 13, "Flight Equipment Airworthiness Reserves or Maintenance Liability" shall include amounts accumulated for owned airframes and aircraft engines in account 1629 Flight Equipment Airworthiness Reserves and amounts accumulated for leased airframes and aircraft engines in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities.

(l) Totals for owned operating equipment shall agree with property and equipment accounts 1601 Airframes; 1611 Reserve for Depreciation—Airframes; 1602 Aircraft Engines; 1612 Reserve for Depreciation—Aircraft Engines; and 1629 Flight Equipment Airworthiness Reserves. The airworthiness liabilities for rented equipment included in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities shall be shown in column 13.

Schedule B-44—Summary of Resources Exchanged with Affiliated Group Members and Other Associated Companies

(a) This schedule shall be filed by all route air carriers.

(b) Single but separate sets of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) One set each shall be filed, and checked in the appropriate box, for resources acquired by the air carrier or its regulated activity, and one set each shall be filed and checked in the appropriate box for resources disposed of by the air carrier or its regulated activity. For these purposes, the amount at which any resources of other persons are hypothecated for the benefit of the air carrier will be considered a resource acquired and the amount at which any resources of the air carrier are hypothecated for the benefit of others will be considered a disposition of resources. Land, buildings, and equipment acquired from or provided other members of an affiliated group under a lease arrangement will be reported in the same manner but separately from resources hypothecated.

(d) The data reported on this schedule shall be grouped within each indicated classification for resources exchanged with separate but associated legal entities and for resources exchanged between the air carrier's regulated activities and separately organized non-transport divisions.

(e) Column 1 shall reflect under each indicated classification the name of each company or other organization with which resources of any type were exchanged during the calendar year. For this purpose income taxes determined on a consolidated basis within an affiliated group shall be classified as an operational service performed by the controlling person which constitutes resource acquisition (or resource purchased) when the tax allocation results in a charge and resource disposition (or a resource sold) when the tax allocation results in a credit for any tax year.

(f) Column 2 shall reflect for all resources exchanged during the calendar year with each company or other organization reflected in column 1 the aggregate of the invoice price and/or the cost to the provider, less any associated valuation reserve accumulations, as applicable under section 2-18 of this Part 241.

(g) Column 3 shall reflect the estimated market value counterparts of the resource amounts reflected in column 2.

(h) Column 4 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at invoice price or cost to the provider, as applicable. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(i) Column 5 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at estimated market value. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(j) Column 6 shall reflect the debit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which credit adjustments are entailed shall not be aggregated with transactions for which debit adjustments are entailed.

(k) Column 7 shall reflect the credit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which debit adjustments are entailed shall not be aggregated with transactions for which credit adjustments are entailed.

(l) Column 8 shall reflect the net of any current year adjustments with each company listed in column 1 which pertain to settlements of prior years and which are recorded in asset accounts 1250, 1510, or 1520 or liability accounts 2050, 2240, and/or 2245.

(m) Column 9 shall reflect, for each company or other organization, reflected in column 1, the aggregate of the settlements established which should equal the sum of amounts shown in columns 4 and 5 adjusted by the net of amounts shown in columns 6, 7, and 8. The amounts in this column shall conform with the balance of accruals for the year, before liquidation, to accounts 2050, 2240, and/or 2245 with respect to resource acquisitions and accounts 1250, 1510, or 1520 with respect to resource dispositions, for each company or other organization, reflected in column 1, and as reflected at year-end in Schedule B-4—Accounts With Subsidiaries, Other Associated Companies and Nontransport Divisions.

(n) Column 10 shall reflect the effective interest rate(s), if any, charged on any unliquidated balance of amounts at which resource acquisitions are to be settled and the effective interest rate(s), if any, received on any unliquidated balance of amounts at which resource dispositions are to be settled. Explanatory footnotes shall be used for reporting multiple interest rates or other conditions pertinent to an understanding of effective finance charges.

Schedule B-45 [Reserved]

Schedule B-46—Long-Term and Short-Term Non-Trade Debt

(a) This schedule shall be filed by all route air carriers and shall reflect information pertaining to each issue of long-term debt and short-term debt (other than trade liabilities) in excess of 5 percent of total outstanding debt.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) Column 1 shall reflect a description of each particular issue of debt, such as "Sinking Fund Debentures", "Bank Notes", "Credit Agreement", etc. This column shall also reflect for each issue a brief description of the terms of payment and, where applicable, conversion privileges, including conversion periods, rates of conversion and the securities into which convertible.

(d) Columns 2, 3, and 4 shall reflect the date of issue, date of maturity, and the interest rate per annum, respectively.

(e) Column 5 shall reflect the amount of bonds or other evidences of debt originally issued, as distinguished from the amount authorized.

(f) Columns 6 and 7 shall reflect the balance outstanding at the end of the reporting period in accounts 2210 Long-Term Debt and 2010 Current Notes Payable on Schedule B-1, respectively.

(g) Columns 8 and 9 shall reflect the name and address of holders of more than 5 percent of the issue or \$500,000, whichever is smaller, showing for each such holder the amount held as at the end of the reporting period.

Memorandum Subclassification of Ground Property Investment

(a) This schedule shall be filed in duplicate by each Group III air carrier.

(b) This schedule shall include the net investment after depreciation and the current depreciation expense for ground property and equipment in the accounts listed on the schedule.

(c) Column 1 lists the accounts and subclassifications in which the ground property or equipment is to be reported, according to its use in the normal course of the carrier's operations. "General" and "other" subclassifications are provided for units of property normally utilized in more than one type of service or for other than the services listed. With respect to account 1636 Furniture, Fixtures and Office Equipment, data processing equipment used for reservations purposes shall be included in the data processing equipment subclassification; all other technical reservations equipment, such as remote inquiry stations, whether at reservations control centers or at ticket counters, shall be classified as reservations equipment.

Section 24—Profit and Loss Elements

Schedule P-1.1—Income Statement—Group I Air Carriers

Schedule P-1.2—Income Statement—Group II and Group III Air Carriers

(a) Schedule P-1.1 shall be filed by each Group I route air carrier and sched-

ule P-1.2 shall be filed by each Group II air carrier and each Group III air carrier.

(b) Separate income statements shall be filed, covering all indicated items through "Net Income After Special Items" for each separate operating entity of the air carrier and for the overall, or system, operations of the air carrier. The indicated items following "Net Income After Special Items" shall be reported on only the income statement filed for the air carrier's system.

(c) Data reported on this schedule shall conform with the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

(d) Data reported in the "12-Months-to-Date" column shall represent for each individual item the sum of amounts reported in the "Quarter" column for the current and next previous three quarters.

(e) "Unappropriated Retained Earnings—Beginning of Period" shall be the sum of the balances of "Unappropriated Retained Earnings" and "Net Income—Year to Date" reported on the balance sheet as at the close of the corresponding quarter of the previous year, in the case of the "12-Months-to-Date" column, and as at the close of the previous quarter, in the case of the "Quarter" column.

(f) "Unappropriated Retained Earnings—End of Period" shall be, in the cases of both the "12-Months-to-Date" and "Quarter" columns, the sum of the balances of "Unappropriated Retained Earnings" and "Net Income—Year to Date" reported on the balance sheet as at the close of the current quarter.

Schedule P-1(a)—Interim Income Statement

(a) This schedule shall be filed by all route air carriers.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) Data reported on this schedule shall reflect the results of operations for the month covered by the report and shall conform to the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

Schedule P-2—Notes to Income Statement

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity and for the overall or system operations of the air carrier.

(c) All substantive matters which may influence materially interpretations or conclusions in regard to the earnings position of the air carrier which are not clearly identified in the body of the income statement shall be completely and clearly stated in this schedule and cross-referenced to the affected profit and loss account.

(d) Each air carrier shall include on this schedule a description of each interruption in air transport operations, the aggregate effect of which is ten (10)

percent or more of the scheduled revenue plane-miles which, except for the interruption, would have been operated during the month or either of two consecutive months affected. The information to be reported for each such interruption in operations shall consist of:

(1) For the report period in which partial or complete interruption first occurs, the nature of the interruption and dates of partial and/or complete cessation of operations, as applicable; (2) for each report period until full resumption of operations, an estimate of the revenue plane-miles canceled in each month of the quarter because of the interruption; and (3) for the report period in which scheduled operations are resumed, dates of partial and/or complete resumption, as applicable.

(e) Each air carrier having currently effective deferred airfreight tariffs on file with the Board shall report information with respect thereto covering the current quarter as follows: (1) Number of shipments enplaned; (2) weight of shipments enplaned (tons to one decimal place); (3) ton-miles carried (000); and (4) revenues earned.

(f) Dividends declared in the current period on stocks of subsidiary companies shall be noted on this schedule.

(g) Each air carrier performing paid positioning flights shall report with respect thereto, by months, aircraft departures, aircraft miles, and airborne hours for civilian passenger-cargo, civilian all-cargo, military passenger-cargo, and military all-cargo charters.

Schedule P-2(a)—Revenue Market Report

(a) This schedule shall be filed by all route air carriers conducting operations set forth in paragraph (c) below.

(b) Data reflected on this schedule shall be supplements to the related entity report in which the data are included.

(c) Markets to be reported are:

Mainland-Hawaii.
Mainland-Alaska.
Mainland-Puerto Rico.
Mainland-Bermuda.
Mainland-Bahamas.
Mainland-Mexico.
Hawaii-Alaska.

and such other markets as may be designated by the Board.

Schedule P-3—Transport Revenues; Depreciation and Amortization; Nonoperating Income and Expense (Net)

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Transport revenues shall reflect the aggregate revenues from each indicated class of traffic carried in both scheduled and nonscheduled services. The sum of the subdivisions of each objective account shall agree with the corresponding amounts reported in schedule P-1—Income Statement. In the event the air carrier performs irregular transport services, in addition to charter and special services and scheduled services,

separate sets of this schedule shall be filed for the reporting of schedule transport services and for nonscheduled transport services, respectively, and the service to which each report applies shall be entered in the box at the head of each of the two amount columns following "Period Ended".

(d) Depreciation and Amortization, and Nonoperating Income and Expense (Net), respectively, shall reflect the indicated detail applicable to the corresponding amounts reported in Schedule P-1—Income Statement.

Schedule P-3(a)—Income Taxes

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Report in accounts 91.1 through 93.2, respectively, the amount for each as reflected in the books of account. Accounts 93.7, 93.8, and 93.9 shall reflect income taxes for the current period, income taxes on special items, and total income taxes, respectively. Lines 1 through 16 shall reflect a memorandum allocation of income taxes and investment tax credits as between operating profit and loss and nonoperating income and expense (net). Before computing the allocation, operating profit and loss (line 1) and nonoperating profit and loss (line 9) shall be adjusted as indicated for the impact of interest expense (lines 2 and 10). Income taxes on operating income and nonoperating income, thus adjusted, shall be allocated on the basis of the proportion of each to the total and entered on lines 4 and 12, respectively. Investment tax credits allocated to the cost of service and amortizations thereof shall be entered on lines 5 and 6 and those not allocated to the cost of service shall be entered on lines 13 and 14.

Schedule P-4—Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Incidental revenues—net shall be reported in this schedule in conformance with the instructions pertaining to each item in section 9-4600 Incidental Revenues—Net.

(d) Receipts from and payments to other air carriers under agreements providing for mutual financial assistance in the case of work stoppage shall be identified in separate amounts for the individual air carriers involved, through appropriate footnote on schedule P-2 and shall be cross-referenced to account 18 Other Incidental Revenues reflected in this schedule. The note covering payments under such agreements shall identify the items and the amounts of the gross revenues and gross expenses upon

which the payments to each air carrier are predicated.

(e) The aggregate of all net incidental revenues reported in this schedule shall agree with the corresponding net amount reported for classification 4600 Incidental Revenues—Net, in schedule P-1.

(f) Each special income item shall be fully identified and reported in gross amount in this schedule.

(g) Special credits to income during the current accounting period shall be identified in positive amounts and any special debits to income shall be identified by asterisks (*).

(h) Special income and special income tax credit and debit items shall be reported separately.

(i) The net of special income items and the net of special income tax items reported in this schedule shall agree with corresponding amounts reported in schedule P-1.

(j) Deferred federal income tax adjustments shall be fully explained in the bottom section of this schedule. The explanations for each credit and debit, respectively, shall identify the property to which related, provide a complete description of the adjustment and the reasons for the adjustment.

(k) Dividends declared and retained earnings adjustments shall be fully explained in the bottom section of this schedule. If a dividend is not payable in cash, the values of amounts declared shall be completely described.

Schedules P-5.1 and P-5.2—Aircraft Operating Expenses

(a) Schedule P-5.1 shall be filed by each Group I route air carrier and P-5.2 by each Group II and Group III air carrier.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed each quarter for each operating entity. One set shall reflect the indicated data applicable to the current quarter. The second set shall reflect the indicated data applicable to the 12-month period ended with the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of the set covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of the set covering 12 months to date data.

(d) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type". However, each air carrier may group on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed wing and rotary wing aircraft types, and between reciprocal engine, turbojet and turboprop aircraft types are established as follows: (1)

Single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine types, are to be separately reported. Expenses applicable to the operation on the accounting carrier's routes of aircraft provided by others under aircraft interchange agreements shall be separately reported, in aggregate for all such aircraft, as if for a distinct aircraft type. Those expenses applicable to aircraft of the same type as those owned or operated by the accounting air carrier shall be distributed in summary memo form as item 98.1 and 98.2 to each aircraft type owned or operated by the accounting air carrier. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved a separation of data relating to each type of aircraft shall not be required.

(e) "Aircraft type" refers to models, such as B-707-100, B-707-300, CV-240, DC-6, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(f) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting but shall be used for reporting purposes only.

(g) Item 79.6 Applied Maintenance Burden shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between maintenance of flight equipment, by aircraft types, and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings) in accordance with item (f) of the instructions for schedule P-6. The amount reported for this item, in aggregate for all aircraft types, shall agree with the amount reported for the same item reflected on schedule P-6.

(h) Item 73.1 Current Provisions (for obsolescence and deterioration of flight equipment expendable parts) shall reflect the gross provisions for losses in value of expendable parts during the current accounting period.

(i) Item 73.2 Inventory Decline Credits shall reflect credits applicable to the current period for any adjustments for excess inventory levels determined pursuant to section 6-1311.

(j) The total of function 5100 Flying Operations reported on this schedule shall agree with corresponding amounts reported on schedule P-1; the total of item 5278 Total Direct Maintenance—

Flight Equipment shall agree with the corresponding amount reported in schedule P-6; and the total of item 75.6 Total Depreciation—Flight Equipment shall agree with the corresponding amount in schedule P-3.

Schedule P-5(a) Components of Flight Equipment Depreciation

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed each quarter for each operating entity. One set shall reflect the indicated data applicable to the current quarter. The second set shall reflect the indicated data applicable to the 12-month period ended with the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each schedule of set the covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each schedule of the set covering 12 months to date data.

(d) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type". However, each air carrier may group on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed-wing and rotary-wing aircraft types, and between reciprocal-engine, turbojet and turboprop aircraft types are established as follows: (1) Single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine types, are to be separately reported. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(e) "Aircraft type" refers to models, such as B-707-100, B-707-300, CV-240, DC-6, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(f) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier account-

ing but shall be used for reporting purposes only.

(g) All items shall be completed by each Group II and Group III air carrier, and all items except items 76.3, 76.4, 70.3, and 70.4 shall be completed by each Group I air carrier. Items 76.1 through 76.6 shall reflect flight equipment depreciation expense provisions computed in accordance with such standards as may be or are prescribed for regulatory purposes. Items 70.1 through 70.6 shall reflect the difference between the amounts reported in items 76.1 through 76.6 on this schedule and the flight equipment depreciation amounts reported in items 75.1 through 75.6 on Schedule P-5.1 or P-5.2, as applicable. Item 75.6 shall reflect the flight equipment depreciation amounts reported in this item on Schedule P-5.1 or P-5.2, as applicable.

(h) Amounts included in line items 70.1 through 70.5 shall be explained in the bottom section of this schedule. The explanation shall set forth the factors giving rise to the differences between regulatory components and carrier components of flight equipment depreciation expense.

Schedule P-6—Maintenance, Passenger Service, and General Services and Administration Expense Functions

(a) This schedule shall be filed by all route air carriers.

(b) A separate set of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed for each operating entity with the Form 41 report filed for the fourth calendar quarter of each calendar year. One set shall be filed for each operating entity for the first three quarters of each calendar year. One of the two sets filed for the fourth quarter of each year shall reflect the indicated data applicable to the 12 months ended December 31. All other sets shall reflect the indicated data applicable to the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of each report covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of each report covering 12-month data.

(d) Group I route air carriers shall report the indicated data for all except function 5500 Passenger Service.

(e) Group II and Group III air carriers shall report the indicated data for all except function 6900 General Services and Administration.

(f) Items 79.6 Applied Maintenance Burden—Flight Equipment and 79.8 Applied Maintenance Burden—General Ground Property, respectively, shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between Maintenance of flight equipment (by aircraft types) and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings for which costs are included in subfunction 5300). Where airframe and aircraft engine

overhauls are accounted for on the accrual basis to produce a matching of costs with the operation of aircraft, the allocation of maintenance burden shall give effect to charges and credits to profit and loss account 5272 Flight Equipment Airworthiness Provisions in order to effect an equitable allocation of such maintenance burden costs. In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement in which the procedures to be followed in allocating maintenance burden are fully explained. At the option of the air carrier standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at least once each accounting year and the amounts allocated are adjusted to reflect the actual costs incurred for the full accounting year. Any differences between actual burden costs incurred during each quarter and amounts applied at standard rates shall be entered as item 79.9 Over or Under Applied Burden.

(g) The sum of the totals of subfunctions 5200 Direct Maintenance and 5300 Maintenance Burden shall agree with the corresponding amount reported in function 5400 on Schedule P-1. The total of function 6900 General Services and Administration reported in this schedule by Group I route air carriers shall agree with the corresponding amount reported on schedule P-1.

Schedule P-7—Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions

(a) This schedule shall be filed by each Group II air carrier and each Group III air carrier.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed for each operating entity with the Form 41 report filed for the fourth calendar quarter of each calendar year. One set shall be filed for each operating entity for the first three quarters of each calendar year. One of the two sets filed for the fourth quarter of each year shall reflect the indicated data applicable to the 12 months ended December 31. All other sets shall reflect the indicated data applicable to the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of each report covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of each report covering 12-month data.

(d) Group II air carriers shall report the indicated data for all except subfunction 6100 Aircraft Servicing.

(e) Group III air carriers shall report the indicated data for subfunction 6100 Aircraft Servicing and function 6800 General and Administrative and shall disregard the data indicated for functions 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales.

(f) The item "12-months to date" shall reflect the total expenses of each

functional expense classification reported on this schedule for the cumulative 12-month period ended with each current quarter for which report is made.

(g) The total of each functional expense classification reported in this schedule shall agree with the corresponding amount reported in schedule P-1.

Schedule P-8—Aircraft and Traffic Servicing, and Promotion and Sales Expense Subfunctions

(a) This schedule shall be filed by each Group III air carrier only.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Two sets of this schedule shall be filed for each operating entity with the Form 41 report filed for the fourth calendar quarter of each calendar year. One set shall be filed for each operating entity for the first three quarters of each calendar year. One of the two sets filed for the fourth quarter of each year shall reflect the indicated data applicable to the 12 months ended December 31. All other sets shall reflect the indicated data applicable to the current quarter. An "x" shall be inserted in the box designated "Qr" at the head of each column of each report covering quarterly data and an "x" shall be inserted in the box designated "Yr" at the head of each column of each report covering 12-month data.

(d) The item "12-months to date" shall reflect the total expenses of each functional expense classification reported on this schedule for the cumulative 12-month period ended with each current quarter for which report is made.

(e) The sum of the totals reported in this schedule for subfunctions 6200 Traffic Servicing and 6300 Servicing Administration, together with 6100 Aircraft Servicing in schedule P-7 shall agree with the corresponding amount reported for function 6400 Aircraft and Traffic Servicing in schedule P-1. The sum of the totals reported in subfunctions 6500 Reservations and Sales and 6600 Advertising and Publicity shall agree with the corresponding amount reported for function 6700 Promotion and Sales in schedule P-1.

Schedule P-9.1—Distribution of Ground Servicing Expenses by Geographic Location—Group I Air Carriers

Schedule P-9.2—Distribution of Ground Servicing Expenses by Geographic Location—Group II and Group III Air Carriers

(a) Schedule P-9.1 shall be filed by each Group I route air carrier and schedule P-9.2 by each Group II and each Group III air carrier.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) This schedule shall reflect a distribution of expenses by the geographic locations at which the goods or services to which related are applied. This schedule shall embrace for all air carrier groups direct maintenance, and depre-

ciation. expenses applicable to general ground properties recorded in subfunction 5200 Direct Maintenance, exclusive of account 78 Direct Maintenance—Flight Equipment, plus subaccount 75.9 Depreciation—General Ground Property and, in the case of Group I route air carriers, expenses recorded in function 6900 General Services and Administration and, in the cases of Group II and Group III air carriers expenses recorded in functions or subfunctions of 6400 Aircraft and Traffic Servicing and 6700 Promotion and Sales.

(d) Line 1 shall reflect the aggregate expenses incurred at all airports, or other geographic locations, served in nonscheduled services only and related traffic offices. Downtown traffic offices maintained at off-line points for the purpose of selling or soliciting traffic for scheduled services shall be considered as on-line installations. Line 2 shall reflect "Regional and System" expenses, which are those directly chargeable to administering activities performed at a number of different localities. For this purpose expenses attaching to such as central space control installations and centralized inter-airport flight control installations shall be considered "Regional and System" expenses.

(e) Column 1, "Location" shall reflect in alphabetic sequence the name of each certificated point served by the air carrier under certificates of public convenience and necessity, subdivided to reflect in alphabetic order the name of each airport through which each certificated point is served and, in a separate group, the name of each city at which off-line traffic offices, maintained for the purpose of selling or soliciting traffic for scheduled services, are located.

(f) Column 2, "Number of Employees" shall reflect the number of persons employed at each on-line airport and all city traffic offices maintained at each point during the payroll period nearest the 15th of the last month of the quarter.

(g) Expenses which are directly chargeable to activities performed at each specific locality shall be entered in the indicated classification directly opposite its name; other expenses applicable to each certificated point shall be entered in the indicated classifications opposite the name of each certificated point; and expenses applicable to each noncertificated point where installations are maintained or used for certificated services shall be entered in the indicated classifications opposite its name.

Schedule P-10—Payroll

(a) This schedule shall be filed by all route air carriers.

(b) A single set of this schedule shall be filed for personnel employed within the 48 contiguous States and the District of Columbia and separate sets shall be filed for each operating entity for personnel employed outside these locations. Flight and other personnel subject to travel shall be reported in accordance with the location at which normally based.

(c) Column 3, "Number of Employees" shall reflect, for each classification in

column 1 the number of full- and part-time employees, both permanent and temporary, who worked or received pay for any part of the pay period(s) ending nearest the 15th day of the last month of the quarter whether paid weekly, monthly, or otherwise. Immediately below the total reported in column 3 shall be reported the comparable total number of employees for each of the first 2 months in the quarter being reported upon.

(d) Column 4, "Total All Employees" shall reflect expansions to annual rates of the amounts of compensation paid each person included in column 3 for the payroll period ended nearest the 15th day of the last month of the quarter. Compensation shall include total pay, including overtime, paid sick leave, holidays and vacations but shall exclude bonuses (unless earned and paid regularly each pay period) and cash payments for vacations not taken.

(e) Column 5, "Average per Employee" shall reflect the averages obtained by dividing the amount of compensation shown in column 4 by the number of employees reported in column 3.

(f) Data with respect to each employee shall be included in the classification to which most of his salary is charged, even though the compensation of such employee is normally prorated to two or more classifications.

(g) The term "payroll period" denotes the collective payroll periods of various groups of employees, irrespective of the difference in the length of the pay periods. The amounts reported in this schedule may, therefore, represent a composite of data relating to two or more separate payrolls covering different periods of time, although the data with respect to any one group of employees shall not reflect more than one payroll period.

Schedule P-41—Taxes

(a) This schedule shall be filed by all route air carrier groups.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) This schedule shall reflect in the detail indicated the taxes levied against the air carrier paid or accrued during the accounting year.

(d) The "Grand Total" of taxes reported on this schedule shall agree with the sum of the amounts reported in accounts 68, 69, and 93.9 for the 12 months ended December 31.

Memorandum Subclassification of Selected Reported Expenses

(a) This schedule shall be filed in duplicate by each Group III air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) This schedule includes only selected objective expense accounts within those functions relating to aircraft and traffic servicing, reservations, sales and advertising.

(d) Columns 2 through 6 shall reflect assignment to the indicated functions of

the amounts in each of the listed objective expense accounts. Column 4 shall reflect expenses at reservations control centers and related facilities used in the reservations activity. To facilitate reporting, guidelines are drawn opposite each expense item in the applicable columns.

TRAFFIC AND CAPACITY—ROUTE CARRIERS

Section 25—Traffic and Capacity Elements

General instructions. (a) All prescribed reporting for traffic and capacity elements shall conform with the data compilation practices and standards set forth in Section 19—Uniform Classification of Operating Statistics. Additional codes are provided herein for elements to be reported on the T schedules which are derived from data prescribed in section 19.

(b) Schedules T-1, T-2, and T-3 shall be in a form prescribed by the Board or in the form of approved machine listings. The same information reported in these schedules shall be submitted on magnetic tape or punched cards at the time the schedules are submitted.

SCHEDULE T-1—TRAFFIC AND CAPACITY STATISTICS BY CLASS OF SERVICE

(a) This schedule shall be filed monthly by each route air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) The data shall be compiled as aggregates of the basic data prescribed in Section 19, Uniform Classification of Operating Statistics.

(d) A description of each item shall be given in the left margin, and separate columns shall be used to present the codes and data as applicable for each classification of service prescribed in section 19-4, namely, Scheduled First Class Passenger-Cargo Service, Scheduled Coach Passenger-Cargo Service, Scheduled Mixed Passenger-Cargo Service, Scheduled Cargo Service, Nonscheduled Civilian Passenger-Cargo Service, Nonscheduled Military Passenger-Cargo Service, Nonscheduled Civilian Cargo Service, Nonscheduled Military Cargo Service and All Services. In addition, columns are provided for total scheduled and total nonscheduled services. The schedule shall include the following items:

Code	Elements
X110	Revenue passengers enplaned.
X140	Revenue passenger-miles.
X141	First class.
X142	Coach.
X160	Nonrevenue passenger-miles.
X240	Revenue ton-miles.
X241	Passenger.
X243	U.S. mail—priority.
X244	U.S. mail—nonpriority.
X245	Foreign mail.
X246	Express.
X247	Freight.
X260	Nonrevenue ton-miles.
X280	Available ton-miles.
X320	Available seat miles.
X321	First class.
X322	Coach.

X410	Revenue aircraft miles flown.
X430	Revenue aircraft miles scheduled.
X431	Scheduled aircraft miles completed.
X510	Revenue aircraft departures performed.
X610	Revenue aircraft hours.
X620	Nonrevenue aircraft hours.

SCHEDULE T-2—TRAFFIC, CAPACITY, AIRCRAFT OPERATIONS AND MISCELLANEOUS STATISTICS BY TYPE OF AIRCRAFT

(a) This schedule shall be filed quarterly by each route air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) The data shall be compiled as aggregates of the basic data prescribed in Section 19, Uniform Classification of Operating Statistics.

(d) A description of each item and the identifying code shall be given in the left margin, and separate columns shall be used for the data applicable to each type of aircraft as identified for reporting purposes by the Civil Aeronautics Board. Small aircraft of similar size may be grouped in a single classification in accordance with section 24, schedules P-5.1 and P-5.2, paragraph (d). Similarly, aircraft not generally used in revenue service also may be grouped in a single classification. Aircraft of the same basic structure, but different cabin design shall be classified accordingly as passenger or cargo aircraft types. The schedule shall include the following items:

SCHEDULED SERVICES

Code	Elements
	Revenue Passenger - Miles (000).
A140	First Class Passenger-Cargo.
C140	Coach Passenger-Cargo.
E141	Mixed Passenger-Cargo, First Class.
E142	Mixed Passenger - Cargo, Coach.
G140	Cargo.
K140	Total.
	Available Seat Miles (000).
A320	First Class Passenger-Cargo.
C320	Coach Passenger-Cargo.
E321	Mixed Passenger-Cargo, First Class.
E322	Mixed Passenger - Cargo, Coach.
G320	Cargo.
K320	Total.
K240	Revenue Ton-Miles.
K280	Available Ton-Miles.
	Revenue Aircraft Miles Flown.
A410	First Class Passenger-Cargo.
C410	Coach Passenger-Cargo.
E410	Mixed Passenger-Cargo.
G410	Cargo.
K410	Total.

NONSCHEDULED SERVICES

V140	Revenue Passenger - Miles (000).
V320	Available Seat-Miles (000).
V240	Revenue Ton-Miles.
V280	Available Ton-Miles.
V410	Revenue Aircraft Miles Flown.

ALL SERVICES

Z140	Revenue Passenger - Miles (000).
Z320	Available Seat-Miles (000).
Z240	Revenue Ton-Miles.
Z280	Available Ton-Miles.
Z410	Revenue Aircraft Miles Flown.

AIRCRAFT HOURS FLOWN

Code	Elements
Z610	Revenue Aircraft Hours (airborne).
Z620	Nonrevenue Aircraft Hours (airborne).
Z621	Ferry.
Z622	Personnel Training.
Z623	Developmental Projects (Costs not deferred).
Z624	Publicity (inaugural flights, etc.).
Z625	Miscellaneous.
Z650	Total Aircraft Hours (airborne).

MISCELLANEOUS OPERATING FACTORS

Z810	Aircraft Days Assigned to Service—Carrier's Equipment.
Z820	Aircraft Days Assigned to Service—Carrier's Routes.
Z420	Nonrevenue Aircraft Miles Flown.
Z411	Revenue Aircraft Miles in Scheduled Services excluding extra section.
	Carrier's Interchange Equipment:
Z830	Hours on Others (airborne).
Z840	Revenue Hours on Others (airborne).
Z850	Hours by Others (airborne).
Z640	Aircraft Hours in Capitalized Projects.
Z630	Aircraft Hours (ramp-to-ramp).
Z921	Aircraft Fuels Issued (gallons).
Z922	Aircraft Oils Issued (gallons).

Schedule T-3—Airport Activity Statistics

(a) This schedule shall be filed quarterly by each route air carrier.

(b) Separate schedules shall be filed for each operating entity of the air carrier.

(c) The data shall be compiled as aggregates of the basic data prescribed in Section 19, Uniform Classification of Operating Statistics.

(d) Separate data shall be given for each on-line airport at points certificated by the Civil Aeronautics Board for Scheduled services. Where a certificated point is served by more than one airport, the data pertaining to each airport shall be separately identified. The airports shall be listed in the left margin and separate columns, appropriately headed, shall be used to present the pertinent statistics. The schedule shall include the following items:

Item	Scheduled service	Non-scheduled service
On-line airport code		
Revenue aircraft departures scheduled	K-520	
Scheduled aircraft departures completed	K-521	
Revenue aircraft departures performed in nonscheduled services		V-510
Revenue aircraft departures performed in scheduled services		
Total and by aircraft type	K510	
Revenue passengers enplaned:	K110	V110
Revenue cargo tons enplaned:		
U.S. mail-priority	K213	V213
U.S. mail-nonpriority	K214	V214
Foreign mail	K215	V215
Express	K216	V216
Freight	K217	V217

Schedule T-6—Summary of Civil Aircraft Charters

(a) This schedule shall be filed by each route air carrier, except that intra-Alaskan charters performed by Alaskan air carriers shall not be reported.

(b) A complete report shall be made on this schedule for the overall or system operations conducted by the air carrier.

(c) Separate reports shall be filed for each of the below-named types of charters and the type shall be inserted opposite the caption "Type of Charter."

(1) Single entity charter, as defined in Part 208 of the Board's Economic Regulations. Charters in which passengers and cargo are carried on the same aircraft are to be reported as single entity charters.

(2) Pro rata charter, as defined in Part 208 of the Board's Economic Regulations. Mixed charters, as defined in Part 208, are to be reported as pro rata charters.

(3) All-cargo charter.

(4) Split charter, as provided for in § 207.11 of the Board's Economic Regulations.

(5) Study group charter, as defined in Part 373 of the Board's Special Regulations.

(6) Overseas military personnel charter, as defined in Part 372 of the Board's Special Regulations.

(d) The data for each flight shall be reported in the quarter in which its performance actually begins. If a charter contract calls for more than one flight, each of the flights shall be reported in the quarter in which it actually begins. Round trips shall be reported as a single service without breakdown by directional components.

(e) All points included in the report shall be identified by the three-letter airport code used in the Official Airline Guide.

(f) All civilian charter flights shall be reported, including those which do not have a United States point in the itinerary; military charters shall not be reported.

(g) Columns 1 and 2 shall reflect the origin and destination, respectively, of the charter flight. For round-trip charters, the origin point shall be shown also as the destination point.

(h) Column 3 shall reflect the number of flights which begin in the current quarter.

(i) Columns 4 and 5 shall reflect, respectively, the aggregate number of seats and the aggregate cargo capacity in tons contracted for on flights reported in column 3. Column 4 on the split charter report shall reflect a breakdown of the aggregate number of seats contracted for (on flights reported in column 3) by type of charter group. The following symbols shall be used: A—single entity; B—pro rata; C—study group; and D—overseas military personnel.

(j) Columns 6 through 12 shall reflect the intermediate points (where a portion of the charter traffic is either enplaned or deplaned) in operating sequence between origin and destination. On round-trip flights, all stopover points other than

the common origin and destination shall be shown as intermediate points. Indicate instances where there is a break in air transportation, such as surface travel, by placing an asterisk between the pairs of points where such a break occurs.

Schedule T-7—Statistical Market Report

(a) This schedule shall be filed by all route air carriers conducting operations set forth in paragraph (c) below.

(b) Data reflected on this schedule shall be supplements to the related entity report in which the data are included.

(c) Markets to be reported are:

Mainland-Hawaii.
Mainland-Alaska.
Mainland-Puerto Rico.
Mainland-Bermuda.
Mainland-Bahamas.
Mainland-Mexico.
Hawaii-Alaska.

and such other markets as may be designated by the Board.

Schedule T-41 Charter and Special Services Revenue Aircraft Miles Flown; Calculation of Limitation of Charter Trips

(a) This schedule shall be filed by each route air carrier.

(b) Separate schedules shall be filed on an overall or system basis covering the 9 months ending September 30 and the 12 months ending December 31 of each year. Check the appropriate box provided on the form.

(c) The following instructions relate to the reporting of "charter and special services revenue aircraft miles flown."

(1) Total charter and special services revenue aircraft miles flown during the 9 months or the 12 months of the calendar year shall be reflected in this schedule by combination carriers and all-cargo carriers in the respective sections provided therefor. Such data shall be broken down to reflect revenue aircraft miles flown for (1) the Department of Defense; and (2) all other customers subdivided into (a) operations performed under special exemption authority, (b) operations performed without such special exemptions, and (c) operations performed in overseas or foreign air transportation on the reverse legs of one-way military charters.

(c)(2) Charter and special service revenue aircraft miles flown shall be separately reported as operations between the carrier's certificated points and operations not between its certificated points. Any point to which the reporting carrier may perform scheduled route service by exemption shall be considered a "certificated point" for purposes of reporting on this schedule. Differentiation for classifying mileage "between certificated points" and "not between certificated points" shall be on the basis of each flight stage operated with technical stops being disregarded. Under the heading of operations between certificated points the reported data shall reflect revenue aircraft miles involving (1) passengers exclusively, (2) cargo exclusively, (3) passengers and cargo jointly,

and (4) paid positioning mileage. Under the heading of operations not between certificated points the revenue aircraft miles flown between foreign points shall first be segregated and reported on lines 10 and 25 for combination and all-cargo carriers, respectively. (Flights between foreign points are those which operate between and which serve traffic originating and terminating at points outside the United States, its territories or possessions.) The remaining reported data shall reflect revenue aircraft miles involving (1) passengers exclusively, (2) cargo exclusively, (3) passengers and cargo jointly, and (4) paid positioning mileage. In the case of charters performed for the Department of Defense by an all-cargo carrier between its certificated points, the passenger legs of trips on which the legs in the other direction involved transportation of cargo shall be shown separately as a subtotal. Also, in the case of an all-cargo carrier, cargo charter revenue aircraft miles flown which are not between points certificated to such carrier shall be broken down to reflect those within and those outside the carrier's "area of operations" as defined in § 207.6 of the Board's economic regulations. In the event special services are performed by any reporting carrier, the revenue aircraft miles in such services shall be separately identified.

(d) The following instructions relate to the reporting of "Calculation of Limitation of Charter Trips," pursuant to §§ 207.5 and 207.6 of Part 207 of the Board's Economic Regulations.

(1) Combination carriers, for both the September and December reports, shall reflect in item 1, "Base revenue plane-miles" the sum of amounts reported in items 1, 2, and 3 under the "Total" column on the December Schedule T-41 for the previous year plus the figure called for in item K-410 of Form 41 Schedule T-1(a) covering the 12 months of the preceding calendar year.

(2) All-cargo carriers, for both the September and December reports, shall reflect in item 1, "Base revenue plane-miles" the sum of amounts reported in items 14 and 16 under the "Department of Defense" column and item 15 under the "Total" column on the December Schedule T-41 for the previous year plus the figure called for in item K-410 of Form 41 Schedule T-1(a) covering the 12 months of the preceding calendar year.

(3) Combination carriers, for the September report, shall reflect in item 2, "Off-route charter mileage" the sum of amounts reported in items 6, 7 and 8 under the "Not under Exemption Authority" column on the current September Schedule T-41. For the December report, item 2 shall reflect the sum of amounts reported in items 6, 7 and 8 under the "Not under Exemption Authority" column on the current December Schedule T-41.

(4) All-cargo carriers, for the September report, shall reflect in item 2, "Off-route charter mileage" the sum of amounts reported in items 13, 19, 21 and

23 under the "Not under Exemption Authority" column on the current September Schedule T-41. For the December report, item 2 shall reflect the sum of amounts reported in items 13, 19, 21 and 23 under the "Not under Exemption Authority" column on the current December Schedule T-41.

Section 26—General Corporate Elements

Schedule G-41—Persons Holding More Than 5 per centum of Respondent's Capital Stock or Capital

(a) This schedule shall be filed by all route air carriers.

(b) Columns 1 and 2 shall reflect the names and addresses of all persons who hold, as of the end of any month of the year, more than five (5) per centum of the issued and outstanding capital stock or, in the case of an unincorporated business enterprise, more than five (5) per centum of the total invested capital of the reporting carriers.

(c) Column 3, "Held for Own Account" shall reflect by either of the words "yes" or "no", whether or not the interest is held for the account of the person named in column 1. In cases where the answer is "no" the name and address of the persons for whose account the interest is held shall be indicated by footnotes.

(d) Columns 4 through 7 shall pertain to the capital stock or the invested capital (exceeding 5 percent) held by the persons named in column 1. Column 4 shall reflect the class(es) of those shares held; column 5 shall reflect the maximum number of shares of each class of stock or the maximum amount of invested capital held as of the end of any month of the year; column 6 shall reflect the percent of total outstanding capital which such maximum shares or maximum invested capital represent; and column 7 shall reflect the number of such shares or amount of invested capital held at year end.

Schedule G-42—Compensation and Expenses of all General Officers and Directors and of Management Personnel Receiving \$20,000 or More per Annum for Personal Services

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported individually for each elective corporate officer, executive and director. The dates to be reported in column 3 shall be the dates each such elective officer, executive and director was first elected to the office held at the date of the report. Reports shall be made in aggregate for all management personnel receiving compensation for personal services of \$20,000 or more per annum. The name of each elective officer, executive and director and the number of management personnel receiving \$20,000 or more per annum shall be entered in column 1; the annual compensation and reimbursed expenses paid during the calendar year to each officer, executive and director, and the aggregate thereof for all such management personnel, shall

be entered in columns 5, 6, and 7 respectively; and the upper and lower limits in the range of compensation and expenses paid to management personnel shall be separately stated in such columns 5, 6, and 7.

(c) Management personnel shall include all general supervisory and administrative personnel not directly responsible for the in-flight operation of aircraft or engaged directly in the performance of maintenance activities. Management personnel, as distinguished from elective officers and directors, for whom report is to be made shall include those who received \$20,000 or more compensation for personal services during the previous calendar year and those initially employed during the current calendar year at an annual compensation rate of \$20,000 or more.

(d) Indirect compensation in column 6 shall include payments made by persons holding management contracts providing for management of, or services to, the air carrier or its associated companies.

(e) Expenses borne by the air carrier to be reported in column 7, shall include all reimbursements to the persons listed in column 1, regardless of whether for goods or services used by the persons listed or by others; whether in the form of per diem or other allowances, or reimbursement for specific expenditures; and whether for amounts reimbursed directly to the persons listed or, except for standby hotel or other facilities maintained for the air carrier's personnel generally, indirectly through vendors who bill the air carrier directly.

(f) Columns 8 through 11 shall reflect securities of the air carrier owned by officers, directors, or management personnel as at December 31. Column 8 shall reflect the class of capital stock, bonds or other securities of the air carrier owned; columns 9 and 10, respectively, shall reflect the number of shares of stock held in the name of, or for the account of, each general officer, and director, and all management personnel receiving \$20,000 or more per annum; and column 11 shall reflect the principal amount of bonds or other securities held in the name of, or for the account of, each general officer and director and all management personnel receiving \$20,000 or more per annum for personal services.

Schedule G-43—Compensation and Expenses of Persons and Firms (Other than Directors, Officers and Employees) Receiving \$5,000 or More During the Calendar Year

(a) This schedule shall be filed by all route air carriers.

(b) The indicated data shall be reported for each person or firm, other than directors, officers and employees of the air carrier, receiving compensation or expense reimbursements of \$5,000 or more during the calendar year.

(c) Compensation and expenses to be reported in this schedule shall include fees, retainers, gifts, commissions, contributions, allowance for expenses or any form of payments amounting in the aggregate to \$5,000 or more during the year. In addition to expense reimbursements paid directly to the recipients reflected in column 1, this schedule shall include expenses incurred by the persons or firms named in column 1 which have been paid directly to vendors by the air carrier. Expenses to be reported in this schedule shall encompass payments such as for legal, medical, engineering, advertising, accounting, statistical, educational, or charitable purposes but shall exclude payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine physical operation or maintenance of an air carrier such as payments for rent of buildings or property, for heat, light, power, telegraph, and telephone or payments to other carriers for interchange of equipment or settlement of interline traffic balances.

(d) "Persons or firms" shall be construed to mean individuals, partnerships, corporations or other legal entities.

Schedule G-44—Corporate and Securities Data

(a) This schedule shall be filed by all route air carriers.

(b) The information to be reported shall be prepared in accordance with the detailed instructions set forth on the schedule. The corporate information shall include the air carrier's exact name at the close of the year; the date of incorporation or other organization; the State or other sovereign power under which incorporated or otherwise organized; the date of termination of charter; the date and place of annual meetings; and a complete statement setting forth dates of all consolidations, mergers, reorganizations, changes in corporate name, etc., occurring during the year. If during the year an original charter of incorporation or a modification of an existing charter was granted, furnish the name of each Government, State or Territory, and reference to each statute under which such grant was made;

(c) With respect to any options outstanding at the close of the fiscal year to purchase securities of the air carrier from the air carrier, give the amount, with the title of the issue, called for by such options; a brief outline of the prices, expiration dates, and other material conditions on which such options may be exercised; the name and address of each person holding such options calling for more than 5 percent of the total amount subject to option, and the amount called for by the options of each person; and for each class of such options not previously reported, state the consideration for the granting thereof.

Section 27—National Defense Elements

Schedule D-1—Services Performed for the Defense Establishment

(Memorandum of Services Included in Other Schedules)

(a) This schedule shall be filed by all route air carriers whether or not services

performed for the defense establishment are separately reported in accordance with section 21.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Item 1 or item 2 shall be checked, as appropriate, to indicate the status of the operating entity with respect to services performed for the defense establishment.

(d) The volume of services performed for the defense establishment shall be indicated, where item 2 has been checked, by inserting the required information. These data shall not include transportation performed in the air carrier's regularly scheduled transport services. Item 2A, "Gross revenues, fees, and reimbursements," shall include, for services performed for the defense establishment, all gross revenues and fees, together with reimbursements of expenses which are properly chargeable against income under the principles reflected in this system of accounts. Hours and miles flown in transport services shall be reported by aircraft type in columns 1 and 2 of item 2C.

(e) Where defense services are separately reported in accordance with section 21 Introduction to Systems of Reports, the reporting of data for items 2C, 2D, 2E, and 2F will not be required.

GENERAL REPORTING PROVISIONS—SUPPLEMENTAL AIR CARRIERS

Section 31—Introduction to System of Reports

(a) Each supplemental air carrier shall file with the Civil Aeronautics Board, monthly, quarterly and annually CAB Form 41¹ reports of financial and operating statistics as prescribed herein unless waiver is made by the Civil Aeronautics Board.

(b) The system prescribed provides for the submission by each supplemental air carrier of a certification and four categories of financial and operating statistics, on individual schedules of the CAB Form 41 report, grouped as follows:

- A. Certification.
- B. Balance Sheet Elements.
- P. Profit and Loss Elements.
- T. Traffic and Capacity Elements.
- G. General Corporate Elements.

(c) The prescribed system of reports provides that the frequency of reporting shall be monthly for some schedules, quarterly for some, and annually for others.

(d) Each schedule of the prescribed CAB Form 41 report has been assigned a specific code. The prefix alphabetical codes A, B, P, T, and G, respectively, have been employed to denote certification, balance sheet, profit and loss, traffic and capacity, and general corporate elements. The digits immediately following the alphabetical prefix designate the particular schedule.

¹ Specimen copies of CAB Form 41 were filed with the Office of the Federal Register as part of the original document.

RULES AND REGULATIONS

(e) Each supplemental air carrier shall submit to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, four (4) copies of each schedule, except as hereinafter indicated in section 32, "General Reporting Instructions." All schedules are set up in units of eight sheets each with snapout interleaf carbons between sheets. The first sheet of each set is of white opaque paper and the second of white translucent paper. The third, fourth, and fifth sheets are of green opaque paper and the sixth, seventh, and eighth are of buff opaque paper. The data columns of the first sheet of certain schedules are separated by perforations to permit disassembly for clipboard statistical processing. The remaining sheets are unperforated and are of a format which permits filing within binders designed for standard 8 1/2" by 14" sheets. The four copies of each schedule filed with the Civil Aeronautics Board shall consist of the original white sheet and the three green sheets.

(f) Wherever practicable the sheets have been designed to permit machine tabulation. Upon approval by the Civil Aeronautics Board, the carrier may supply its own continuous-feed forms, provided each schedule conforms with the specifications of the forms prescribed herein.

(g) A good quality black typewriter ribbon shall be used in preparing the original copy of each schedule submitted to the Civil Aeronautics Board. In no event shall ditto or similar processes be used nor shall any information be typed on the reverse side of copies submitted to the Civil Aeronautics Board.

(h) Each supplemental air carrier shall generally comprise a single reporting entity; however, separate data shall be reported on Schedule P-3.1 and Schedule T-3.1 for each of the following classifications: (1) Domestic within the 48 contiguous States; (2) domestic between the 48 contiguous States, Alaska and/or Hawaii; (3) territorial; and (4) international including Canadian transborder. The application to be made of the above rule with regard to the entities for which separate reports shall be made is set forth below in the list entitled "Supplemental Air Carrier Reporting Entities."

SUPPLEMENTAL AIR CARRIER REPORTING ENTITIES

American Flyers Airline Corp.
Capitol International Airways, Inc.
Charter International Airlines, Inc.
Interstate Air Motive, Inc.
Johnson Flying Service, Inc.
Modern Air Transport, Inc.
Overseas National Airways, Inc.
Purdue Airlines, Inc.
Satur Airways, Inc.
Southern Air Transport, Inc.
Standard Airways, Inc.
Trans International Airlines, Inc.
Universal Airlines, Inc.
World Airways, Inc.

(i) As a general rule separate reports shall be filed for the supplemental air

carrier and for each associated company, as defined in section 03, which is an air carrier. However, transactions of associated companies in which 100 percent equity control resides in the reporting air carrier shall be consolidated with transactions of the reporting air carrier when such associated companies perform services related to the transport operations of the reporting air carrier almost exclusively and are not engaged in air transportation for their own account.

Section 32—General Reporting Instructions

(a) The CAB Form 41 report is comprised of schedules to be filed at the frequency indicated below. Four copies of each schedule shall be filed with the Civil Aeronautics Board and shall be received, or postmarked, on or before expiration of the indicated interval subsequent to the period for which the report is being made.

Schedule No.		Filing	
		Frequency	Postmark interval (days)
A	Certification	Quarterly	40
A-1	Status of Accounting Plans Required To Be Filed	Annually	40
B-1	Balance Sheet	Quarterly	40
B-2.1	Notes to Balance Sheet; Corporate Paid-In Capital; Analysis of Sole Proprietorship Capital or Partnership Capital	do	40
B-7	Airframes and Aircraft Engines Acquired	do	40
B-8	Property and Equipment Retired	do	40
B-10	Developmental and Preoperating Costs	do	40
B-11	Current and Long-Term Receivables; Current and Long-Term Payables	Monthly	30
B-12	Statement of Source and Application of Funds	Quarterly	40
B-13	Summary of Projected Financial Commitments and Related Deposits	do	40
B-14	Summary of Property Obtained under Long-Term Leases	do	40
B-41	Investments Held by, or for the Account of, Respondent	Annually	90
B-43	Inventory of Airframes and Aircraft Engines	do	90
B-44	Summary of Resources Exchanged With Affiliated Group Members and Other Associated Companies	do	90
B-46	Long-Term and Short-Term Nontrade Debt	do	90
P-1.1	Income Statement—Group I Air Carriers	Quarterly	40
P-1.2	Income Statement—Group II and Group III Air Carriers	do	40
P-2	Notes to Income Statement	do	40
P-3.1	Transport Revenues	do	40
P-4	Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments	do	40
P-5.1	Aircraft Operating Expenses—Group I Air Carriers	do	40
P-5.2	Aircraft Operating Expenses—Group II and Group III Air Carriers	do	40
P-5(a)	Components of Flight Equipment Depreciation	do	40
P-6	Maintenance, Passenger Service, and General Services and Administration Expense Functions	do	40
P-7	Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions—Group II and Group III Air Carriers	do	40
T-3.1	Statement of Traffic and Capacity Statistics	Monthly	30
T-6	Summary of Civil Aircraft Charters	Quarterly	40
G-41	Persons Holding More Than 5 Per Centum of Respondent's Capital Stock or Capital	Annually	90
G-42	Compensation and Expenses of All General Officers and Directors and of Management Personnel Receiving \$20,000 or More Per Annum for Personal Services	do	90
G-43	Compensation and Expenses of Persons and Firms (Other Than Directors, Officers, and Employees) Receiving \$5,000 or More During the Calendar Year	do	90
G-44	Corporate and Securities Data	do	90

(b) Each supplemental air carrier shall file the schedules of the CAB Form 41 reports with the Civil Aeronautics Board in accordance with the above instructions, except that the time for filing B and P report schedules for the final quarter of each calendar year may be extended to 90 days following the year's end provided that preliminary schedules B-1, P-1.1, or P-1.2, and P-3.1 are submitted within the standard prescribed 40-day filing period. At the request of a supplemental air carrier, and upon a showing by such air carrier that public disclosure of its preliminary yearend report would adversely affect its interests and would not be in the public interest, the Board will withhold such preliminary yearend report from public disclosure until such time as (1) the final report is filed, (2) the final report is due, or (3) information covered by the preliminary report is publicly released by the carrier concerned, whichever first occurs.

(c) If circumstances prevent the filing of a report within the prescribed time limit, consideration will be given to the granting of an extension upon receipt of a written request therefor. Such a request must set forth good and sufficient reason to justify granting the extension, must set forth the date when the report can be filed, and be submitted sufficiently in advance of the due date to permit proper time for consideration and communication to the supplemental air carrier of the action taken. Except in cases of emergency no such request will be entertained which is not postmarked in sufficient time to normally reach the Civil Aeronautics Board at least 24 hours before the prescribed due date. If a request is denied, the air carrier remains subject to the filing requirements to the same extent as if no request for extension of time had been made.

(d) Statements of accounting or statistical procedures required to be filed under this system of accounts and reports are recapitulated below. These statements or revisions thereof shall be filed prior to the date on which the procedures are to become effective and shall be regarded as accepted unless the carrier is notified of Board objections within 30 days after receipt. The Board may require modification of any previously effective procedure covered by such statements after 60-days' notice to the carrier. These statements shall be filed in triplicate, with each statement submitted on a separate page to facilitate processing and filing.

(1) Procedures for assigning or prorating profit and loss items between operating entities, as prescribed by section 2-1(b).

(2) Procedures for accrual of self-insurance reserves, as prescribed by section 2-13(c).

(3) Procedures for establishment of expense equalization reserves, as prescribed by section 2-13(d).

(4) Procedures for depreciation of property and equipment, as prescribed by section 2-14(b).

(5) Procedures of accounting for airframe and aircraft engine overhauls and airworthiness reserves as prescribed by section 5-4(g) (8).

(6) Procedures for amortization of developmental and preoperating costs and other intangibles, as prescribed by section 5-5(b), section 6-1870(c), and section 6-1880.

(7) Procedures for the accrual of obsolescence and deterioration reserves for flight equipment expendable parts, as required by section 6-1311(d).

(8) Procedures for accrual of unearned transportation revenues, as prescribed by sections 2-17(b) and 6-2160(d).

(9) Procedures for assigning or prorating expenses between incidental services and transport operations, as prescribed by section 9-4600(d).

(10) Procedures for applying maintenance burden, as prescribed by section 10-5300(c), section 11-5300(c) and section 34, Schedule P-6, paragraph (e).

(11) Procedures for computing available seat-miles and available ton-miles for each aircraft type, as required by paragraph (g), in section 35, Schedule T-3.1.

(12) Procedures for the accrual of vacation liability, as required by section 6-2120(c).

(13) Procedures for accounting for investments in subsidiary and other associated companies, including change in status from associated to subsidiary company, or vice versa, and adjustments in investment accounts, as prescribed by section 6-1510(c).

(e) All financial data reported on B, P, and G schedules shall reflect the status of the supplemental air carrier's books of account for the period for which report is being made and shall conform to the instructions of this Uniform System of Accounts and Reports. At the option of the supplemental air carrier, financial data may be reported in whole dollars by

either dropping or rounding cents; provided all amounts are balanced within and between schedules and zero digits are inserted for the actual money amounts eliminated.

(f) Traffic and other operational statistics included in schedules of the CAB Form 41 reports shall reflect data pertaining to the month or quarter for which the report is being made.

(g) Adjustments correcting errors in previously reported traffic and other operational statistics shall not be included in data reported in schedules for the current period but shall be effected by submission of corrected schedules for the period to which applicable or, if only a few items are involved, by written notice and authorization to the Civil Aeronautics Board to correct previously filed reports except that any correction which amounts to less than one-half of one percent (0.5%) of the corrected amount for the month to which related may be included in the report for the current month provided the amount of the correction is clearly noted on the Form 41 Report.

(h) All letters and statements of correction or revision of reported data shall be a part of the CAB Form 41 reports.

(i) All changes in accounting methods having a material impact upon the particular financial elements involved and all changes in methods of computing and reporting traffic and capacity statistics having a material impact upon the particular statistics involved shall be adequately explained and identified in the report first reflecting such changes. Such explanations related to financial position or financial results shall be made on schedules B-2.1 and P-2, "Notes to Balance Sheet" and "Notes to Income Statement," respectively. Changes in methods for computing or reporting traffic and capacity statistics shall be identified and explained on a separate sheet attached to the first report affected. (See sec. 2-16.) The reporting requirements shall not be construed, in any sense, as relieving the supplemental air carrier of the responsibility for conforming its procedures to those otherwise prescribed in this system of accounts and reports.

(j) All financial statements released by carriers to the public reflecting a financial position or operating results for dates or reporting periods not covered by reports on file with the Board shall be filed with the Board simultaneously with their public release.

Section 33—Certification and Balance Sheet Elements

Schedule A—Certification

(a) The certification of the CAB Form 41 report shall be signed by an elective corporate officer, executive or director, or such other person as may be authorized by the carrier to sign the certification, provided a written authorization disclosing the individual's name and title is forwarded to the Civil Aeronautics Board. Since corrections or revisions of reported data are a part of the

CAB Form 41 report, all correspondence relating to such matters shall be signed only by persons authorized to sign the certification.

(b) The certification of the Form 41 reports, embodied in schedule A thereof, shall read as follows:

I, the undersigned

(Title of officer in charge of accounts)
of the

(Full name of the reporting company)
do certify that this report and all schedules and supporting documents which are submitted herewith or have been submitted heretofore as parts of this report filed for the above indicated period have been prepared under my direction; that I have carefully examined them and declare that they correctly reflect the accounts and records of the company, and to the best of my knowledge and belief are a complete and accurate statement, after adjustments to reflect full accruals of the operating revenues and expenses, income items, assets, liabilities, capital, surplus, and operating statistics for the periods reported in the several schedules; that the various items herein reported were determined in accordance with the Uniform System of Accounts and Reports for Certificated Air Carriers prescribed by the Civil Aeronautics Board; and that the data contained herein are reported on a basis consistent with that of the preceding report except as specifically noted in explanations accompanying the financial and statistical statements.

Schedule A-1—Status of Accounting Plans Required To Be Filed

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall be filed for the overall or system operations of the air carrier.

(c) The indicated data shall be entered on this schedule for each accounting plan listed in section 32(d).

(d) Columns 1 and 2 shall reflect the title of the accounting plan and its applicable section under this Uniform System of Accounts and Reports.

(e) Column 3 shall indicate for each plan, by insertion of either "Yes" or "No", whether the plan was revised during this period.

(f) Columns 4 and 5 shall reflect for each plan the date filed with the Board and its effective date.

Schedule B-1—Balance Sheet

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall reflect the balances as at the close of business on the last day of each calendar quarter, for the overall operations of each air carrier in conformance with the provisions of sections 4, 5, and 6.

(c) Individual proprietors or partners shall report the aggregate capital contributed by the proprietor or partners in account 2890 Other Paid-In Capital.

Schedule B-2.1—Notes to Balance Sheet; Corporate Paid-In Capital; Analysis of Sole Proprietorship Capital or Partnership Capital

(a) This schedule shall be filed by each supplemental air carrier.

(b) All substantive matters which may influence materially interpretations

or conclusions in regard to the financial condition of the supplemental air carrier which are not clearly identified in the body of the balance sheet shall be completely and clearly stated in this schedule and cross-referenced to the affected balance sheet account.

(c) The amounts and estimated delivery dates of any purchase commitments of material size and not of a recurrent routine character shall be explained on this schedule. In the case of commitments involving flight equipment, the amount for each equipment type may be given in total, including any engines, airframes and spares; but the number of airframes and the number of engines by type shall be given, as well as the estimated delivery date for each complete aircraft. Reports on commitments other than for flight equipment are required only in the December 31 report of each calendar year.

(d) The balances in subaccounts of balance sheet account 2390 Other Deferred Credits titled "Investment Tax Credits Available" and "Unrealized Investment Tax Credits" shall be set forth in this schedule as at the end of each calendar quarter. In addition, the balance in account 1619 Reserve for Depreciation—Flight Equipment at the end of each calendar quarter shall be reconciled to show: (1) The accumulated depreciation computed in accordance with such standards as may be or are prescribed for regulatory purposes identified under the caption "Reserve for Depreciation—Regulatory Components"; and (2) the difference between the regulatory components and the balance in account 1619 identified under the caption "Reserve for Depreciation—Other Components." The balance in account 1619 shall be shown under the caption "Reserve for Depreciation—Carrier Total."

(e) Each class and series of the air carrier's capital stock, as at the end of each calendar quarter, shall be listed and the indicated information entered within the "Paid-In Capital" section of this schedule.

(f) All transactions and amounts affecting paid-in capital during the current quarter shall be fully explained for each class and series of capital stock to which related. Total paid-in capital and total treasury stock reported on this schedule as at the end of each calendar quarter shall agree with corresponding amounts reported on schedule B-1 Balance Sheet.

(g) In the "Analysis of Sole Proprietorship Capital or Partnership Capital" section of this schedule, individual proprietors shall report the required data in the column headed "Total Capital." Partnerships shall reflect the names of the partners at the head of the columns provided therefor.

(h) All transactions and amounts affecting the proprietor's or partners' investments during the current quarter shall be reflected. Any items other than profits, losses, additional investments or withdrawals shall be shown under "Other Credits" or "Other Debits" in detail with a full explanation as to their

nature. The "Total Capital" balance at the end of the current quarter shall agree with the corresponding amount reported on schedule B-1 Balance Sheet.

(i) The conversion from the cost method to the equity method of carrying investments in subsidiary companies shall be explained on this schedule and cross-referenced to Schedule P-2—Notes to Income Statement. Any change in the basis of accounting for investments in subsidiary and other associated companies (e.g., change from associated to subsidiary company or vice versa) shall be noted here and reported as required by section 32(d).

(j) Amounts of adjustments resulting from the physical verification of passenger revenue accounting practices required by section 2-17 shall be reported herein for the quarter in which the adjustment takes place.

Schedule B-7—Airframes and Aircraft Engines Acquired

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported in aggregate for each type or model. Airframe units leased from others for a period of more than 90 days shall be reported in a separate subsection of this schedule. In addition, a notation shall be made by license number of airframe units of the air carrier returned after lease to others for a period of more than 90 days. Airframe units obtained through interchange lease arrangements shall not be so reported.

(c) All dates shall indicate the day, the month and the year; shall be provided on a unit basis for airframes only; and, shall be reported for each aircraft engine group by date of transaction.

(d) Report shall be made in the quarter in which each airframe and each group of aircraft engines is actually acquired irrespective of whether the cost thereof is reflected in the property and equipment accounts during the current quarter or a subsequent quarter. If the cost data are not reflected in the current quarter a footnote to that effect shall accompany the report of acquisition. The costs shall be reported during the quarter in which determined and the equipment to which related shall be listed again in this schedule, with complete information, and shall be identified as being the same equipment reported at the earlier date.

(e) Column 2, "Date Placed in Transport Service" shall relate to airframes only and shall be the date on which each airframe was or will be placed in regular service by the reporting entity. If this date is not known at the time of submission of the report an estimated date bearing the notation "estimate" shall be provided with the exact date shown by footnote on a subsequent schedule B-7 in which the airframe is reidentified by

license number, type of aircraft and date acquired.

(f) Column 8, "Maximum Continuous Horsepower" shall reflect the maximum continuous horsepower rating of each type of aircraft engine acquired. (See section 03 for definition as applied in this system of accounts and reports).

(g) Column 9, "Aircraft Engines per Airframe" shall reflect the number of aircraft engines for which each acquired airframe is designed.

(h) Column 10, "Maximum Seat Capacity" shall reflect the number of passenger seats installed in each airframe acquired. When the configuration of airframes provides sleeping accommodations the passenger capacity shall be shown in terms of a sleeper version and a nonsleeper version. When airframes are designed for multiple adjustable seating configurations, the maximum number of seats for which designed shall be reported. When the seating configuration of airframes is modified subsequent to original acquisition, the revised passenger capacity of each airframe shall be reported in the quarter in which modified and referenced to identify original capacity reported.

(i) Columns 12 and 15, "Reserve for Depreciation" and "Flight Equipment Airworthiness Reserves," respectively, shall include the amount of such reserves applicable to property and equipment transferred from nontransport divisions.

Schedule B-8—Property and Equipment Retired

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for the sale or retirement of each airframe, each type of aircraft engine (stating the number of units retired) and, to the extent retired along with airframes and engines, in aggregates by accounts, for operating property and equipment included in accounts 1603 through 1608 and nonoperating property and equipment included in accounts 1703 through 1708. Disposition of properties in accounts 1603 through 1608 and 1703 through 1708 not related to airframe and aircraft engine retirements shall be reported in a separate group for each account. Ground property and equipment disposed of shall be reported in aggregate for all accounts, with subdivisions between operating and nonoperating property and equipment. Airframe units leased from others for a period of more than 90 days shall be reported, upon return to the lessor, in a separate subsection of this schedule. In addition, a notation shall be made by license number and name of lessee of airframe units leased to others for a period of more than 90 days. Airframe units leased under interchange arrangements shall not be so reported.

(c) Retirements shall be listed in the numerical sequence of the property and equipment account to which related.

(d) All dates shall include the day, the months and the year of each transaction.

(e) Column 7, "Cost" shall agree in totals for each account with the corresponding cost of property and equipment retired.

(f) Column 10, "Realization" shall reflect the proceeds from disposition, including any insurance proceeds or amounts covered by a self-insurance reserve established in accordance with section 2-13(c).

(g) Column 13, "Disposition" shall reflect the name of the person or organization to which airframes and aircraft engines are sold or a notation as to the nature of the retirement and the account to which any depreciated cost has been charged if not sold. Items included in accounts 1603 through 1608, and 1703 through 1708, sold as a part of airframe or aircraft engine sales transactions, shall also be identified by the name of the buyer. Other sales of items included in these accounts shall be reported in a separate group in aggregate for each property account affected, while all ground property dispositions shall be reported in a single aggregate and need not be identified by names of the buyers.

Schedule B-10—Development and Preoperating Costs

(a) This schedule shall be filed by each Group II supplemental air carrier.

(b) Column 1 shall reflect an identification and complete description of each project for which costs are deferred in balance sheet account 1830. The description shall include the CAB Docket number in cases of projects involving a proceeding before the Civil Aeronautics Board.

(c) Explanation of the amounts included in column 3 shall disclose the general characteristics of the amounts deferred during the current quarter for each project, for example, the cost of regulatory proceedings; the cost of pilot; mechanic, and ground crew training; special engineering; aircraft development flights; publicity flights; and route familiarization flights.

(d) Column 6, "Unamortized Balance—End of Quarter" shall in total agree, when aggregated for the air carrier as a whole, with the corresponding balance of account 1830 shown in schedule B-1—Balance Sheet.

(e) Column 7, "Development Costs Charged to Account 89" shall reflect costs incurred in projects which do not contribute to or protect air transportation services of the air carrier.

Schedule B-11—Current and Long Term Receivables; Current and Long Term Payables

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall reflect the balances of receivables and payables as at the close of each month.

(c) Columns 1 and 2 reflect the account number and description of the type of receivable or payable for which report is to be made.

(d) Column 3, "Total Receivables" and "Total Payables," shall reflect the total amount recorded in each account,

and shall agree with the amounts reported on the carrier's balance sheet as at the preparation date of this schedule.

(e) Column 4, "Amounts not Overdue," shall reflect receivables or payables which are not overdue.

(f) Columns 5 through 8, "Amounts Overdue," shall reflect receivables or payables which are overdue for periods of 30 days or less, 31 to 60 days, 61 to 90 days, and over 90 days, respectively.

(g) Account 2210, "Long Term Debt," shall be detailed by class of debt, showing separately amounts held by associated companies and by others, giving the maturity dates, and effective interest rates. Describe any significant covenants relative to the debt in footnote.

(h) Items which include claims in litigation or unpaid court judgments shall be footnoted, and such claims and judgments shall be listed by amount and explained at the bottom of the schedule in the space provided therefor.

Schedule B-12—Statement of Source and Application of Funds

(a) This schedule shall be filed by each supplemental air carrier.

(b) In determining funds from operations, net income as reported in item 9799 on Schedule P-1.1 or P-1.2, as applicable, shall be increased by the indicated nonfund charges and shall be decreased by nonfund credits such as gains on property retirements and undistributed earnings of subsidiaries. The nonfund credits shall be included net on line 6 "Other nonfund items." If the amount reported on line 6, line 12, or line 19 exceeds 5 percent of the total sources or applications, a footnote shall be added to this schedule disclosing the component amounts.

(c) Generally, all items shall be reported in gross amounts. Thus, nonfund exchanges of bonds or capital stock for fixed assets shall be reported as a source of funds from the incurrence of debt or issuance of stock and a concurrent application of funds for the asset acquisition. Likewise, the conversion of debt for capital stock shall be reported as a source of funds for capital stock issued and an application of funds for the debt retired.

Schedule B-13—Summary of Projected Financial Commitments and Related Deposits

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported in columns 2 through 9 for all firm programs for property acquisition and debt retirement. The total estimated cost of each program shall be reported in column 2, and the amounts reflected in columns 3 through 9 shall agree in total with the amount in column 2.

(c) Financing for which firm arrangements have been made to meet the total projected commitments shall be reported in columns 5 through 9 by appropriate caption under scheduled financing. Financing to be scheduled reported on line 21 shall equal line 12 minus line 17. The use of lines 19 and 20 to indicate, gen-

erally, whether funds to be scheduled are expected to be obtained through internal or external sources is optional.

Schedule B-14 Summary of Property Obtained Under Long-Term Leases

(a) This schedule shall be filed by each supplemental air carrier.

(b) This schedule shall reflect data for all leases in force at the report date which have a term or terms in excess of 3 years including terms of extension or renewal at the option of the lessee. However, leases of property and equipment, other than flight equipment, which are not of material financial impact may be excluded: *Provided*, That a statement is submitted for approval by the Board's Director, Bureau of Accounts and Statistics, which describes the policy applied for exclusion of leases not considered material and the percentage of the total lease commitment which they represent.

(c) Column 3 "Cost" shall reflect the estimated cost to the lessor if stipulated in the lease agreement. If the lessor's cost is not stipulated, it shall be determined based on the cost of comparable owned property or equipment, the market value of comparable property or equipment or independent appraisals; and such estimates, together with sufficient documentary evidence and factual support, shall be submitted to the Director, Bureau of Accounts and Statistics, for approval.

(d) The indicated lease cost and approximate annual lease-cost components shall be reported in columns 5 through 11. The imputed interest rate shall be reported in column 12 and the remaining months of the lease shall be reported in column 13. Column 14 shall indicate whether the lease contains purchase option provisions by insertion of the word "Yes" or "No."

Schedule B-41—Investments Held by, or for the Account of, Respondent

(a) This schedule shall be filed by each supplemental air carrier.

(b) The data shall be grouped and separately subtitled according to: (1) investments in subsidiary companies; (2) investments in other associated companies and investments in other than associated companies; and (3) notes and accounts receivable due to the air carrier 1 year beyond the date of the report.

(c) Column 1 shall reflect the name of each associated company, and each other issuer of securities held by the air carrier. This column shall also reflect the name of each company from which non-current notes and accounts receivable are due to the air carrier.

(d) Column 2 shall reflect the type of security, such as stocks, bonds, notes, etc., with respect to investments, and the words "a/c rec." or "notes rec.", as appropriate with respect to noncurrent receivables.

(e) Column 3 shall reflect the words "yes" for investments held in the name of the air carrier and "no" for investments held in the name of others for the account of the air carrier.

(f) Column 4 "Cost" shall reflect the cost of the investments to the carrier.

The cost of investments in subsidiary companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity or Book Value", shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.1. Investments in Subsidiary Companies. The cost of investments in other associated companies and investments in other than associated companies shall agree in total with corresponding amounts reflected in balance sheet accounts 1510.2 Investments in Other Associated Companies and 1530 Other Investments and Receivables, respectively.

(g) Column 5 "Equity or Book Value" shall reflect the equity in undistributed earnings or losses of subsidiary companies since acquisition, or the book value of investments in other associated companies and other than associated companies as of the date of this schedule. This column does not apply to investments in industry-owned service organizations which operate on a nonprofit basis.

(h) Column 6 "Number of Shares or Debt Principal Amount" shall reflect the number of shares of stock or the principal amount of bonds or notes held by the air carrier.

Schedule B-43—Inventory of Airframes and Aircraft Engines

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for each individual airframe, identified by type, model, and design of cabin as to use for passengers exclusively, cargo exclusively, or both passengers and cargo in combination. Data pertaining to aircraft engines shall be reported on a group basis by type of engine and by type of aircraft to which related.

(c) Data in this schedule shall be grouped and subtitled as between data pertaining to airframes and data pertaining to aircraft engines. Data pertaining to nonoperating airframes and aircraft engines shall be reported in a group below the data for operating equipment.

(d) The data to be reported shall include owned and rented airframes and aircraft engines currently in operation or in conversion. Data pertaining to rented airframes and aircraft engines shall be listed in columns 1 through 7 and in column 13; the cost of improvements thereto shall be listed in columns 8 through 12.

(e) Column 9, "Reserve for Depreciation" shall include the accumulations of all provisions for losses due to use and obsolescence as recorded in balance sheet accounts 1611 Reserve for Depreciation—Airframes and 1612 Reserve for Depreciation—Aircraft Engines.

(f) Column 10, "Depreciated Cost" shall reflect Cost (column 8) less Reserve for Depreciation (column 9).

(g) Column 11, "Estimated Residual Value" shall reflect in dollars the residual value assigned to airframes and aircraft engines respectively, including any overhaul value not subject to depreciation.

(h) Column 12, "Estimated Depreciable Life (Months)" shall reflect the estimated depreciable life of each airframe and each group of aircraft engines.

(i) Column 13, "Flight Equipment Airworthiness Reserves or Maintenance Liability" shall include amounts accumulated for owned airframes and aircraft engines in account 1629 Flight Equipment Airworthiness Reserves and amounts accumulated for leased airframes and aircraft engines in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities.

(j) Totals for owned operating equipment shall agree with property and equipment accounts 1601 Airframes; 1611 Reserve for Depreciation—Airframes; 1602 Aircraft Engines; 1612 Reserve for Depreciation—Aircraft Engines; and 1629 Flight Equipment Airworthiness Reserves. The airworthiness liabilities for rented equipment included in accounts 2190 Other Current Liabilities and 2290 Other Noncurrent Liabilities shall be shown in column 13.

Schedule B-44—Summary of Resources Exchanged with Affiliated Group Members and Other Associated Companies

(a) This schedule shall be filed by all supplemental air carriers.

(b) Single but separate sets of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) One set each shall be filed, and checked in the appropriate box, for resources acquired by the air carrier, or its regulated activity, and one set each shall be filed and checked in the appropriate box for resources disposed of by the air carrier or its regulated activity. For these purposes, the amount at which any resources of other persons are hypothecated for the benefit of the air carrier will be considered a resource acquired and the amount at which any resources of the air carrier are hypothecated for the benefit of others will be considered a disposition of resources. Land, buildings, and equipment acquired from or provided other members of an affiliated group under a lease arrangement will be reported in the same manner but separately from resources hypothecated.

(d) The data reported on this schedule shall be grouped within each indicated classification for resources exchanged with separate but associated legal entities and for resources exchanged between the air carrier's regulated activities and separately organized nontransport divisions.

(e) Column 1 shall reflect under each indicated classification the name of each company or other organization with which resources of any type were exchanged during the calendar year. For this purpose income taxes determined on a consolidated basis within an affiliated group shall be classified as an operational service performed by the controlling person which constitutes resource acquisition (or resource purchased) when the tax allocation results in a charge and a

resource disposition (or a resource sold) when the tax allocation results in a credit for any tax year.

(f) Column 2 shall reflect for all resources exchanged during the calendar year with each company or other organization reflected in column 1 the aggregate of the invoice price and/or the cost to the provider, less any associated valuation reserve accumulations, as applicable under section 2-18 of this Part 241.

(g) Column 3 shall reflect the estimated market value counterparts of the resource amounts reflected in column 2.

(h) Column 4 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at invoice price or cost to the provider, as applicable. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(i) Column 5 shall reflect the aggregate of those transactions with each company or other organization reflected in column 1 which have been recorded at estimated market value. For this purpose, transactions concerning resource acquisitions shall not be offset against transactions concerning resource dispositions.

(j) Column 6 shall reflect the debit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which credit adjustments are entailed shall not be aggregated with transactions for which debit adjustments are entailed.

(k) Column 7 shall reflect the credit adjustments to the aggregates shown in columns 4 and 5 combined, for each company or other organization reflected in column 1, which is necessary to reconcile with the amounts at which settlement has been established. For this purpose, transactions for which debit adjustments are entailed shall not be aggregated with transactions for which credit adjustments are entailed.

(l) Column 8 shall reflect the net of any current year adjustments with each company listed in column 1 which pertain to settlements of prior years and which are recorded in asset accounts 1250, 1510, or 1520 or liability accounts 2050, 2240, and/or 2245.

(m) Column 9 shall reflect, for each company or other organization, reflected in column 1, the aggregate of the settlements established which should equal the sum of amounts shown in columns 4 and 5 adjusted by the net of amounts shown in columns 6, 7, and 8. The amounts in this column shall conform with the balance of accruals for the year, before liquidation, to accounts 2050, 2240, and/or 2245 with respect to resource acquisitions and accounts 1250, 1510, or 1520 with respect to resource dispositions, for each company or other organization, reflected in column 1, and as reflected at year-end in Schedule B-4—Accounts With Subsidiaries, Other

Associated Companies and Nontransport Divisions.

(n) Column 10 shall reflect the effective interest rate(s), if any, charged on any unliquidated balance of amounts at which resource acquisitions are to be settled and the effective interest rate(s), if any, received on any unliquidated balance of amounts at which resource dispositions are to be settled. Explanatory footnotes shall be used for reporting multiple interest rates or other conditions pertinent to an understanding of effective finance charges.

Schedule B-46—Long-Term and Short-Term Non-Trade Debt

(a) This schedule shall be filed by each supplemental air carrier and shall reflect information pertaining to each issue of long-term debt and short-term debt (other than trade liabilities) in excess of 5 percent of total outstanding debt.

(b) A single set of this schedule shall be filed for the overall corporate or other legal entity comprising the air carrier.

(c) Column 1 shall reflect a description of each particular issue of debt, such as "Sinking Fund Debentures", "Bank Notes", "Credit Agreement", etc. This column shall also reflect for each issue, a brief description of the terms of payment and, where applicable, conversion privileges, including conversion periods, rates of conversion, and the securities into which convertible.

(d) Columns 2, 3, and 4 shall reflect the date of issue, date of maturity, and the interest rate per annum, respectively.

(e) Column 5 shall reflect the amount of bonds or other evidences of debt originally issued, as distinguished from the amount authorized.

(f) Columns 6 and 7 shall reflect the balance outstanding at the end of the reporting period in accounts 2210 Long-Term Debt and 2010 Current Notes Payable on Schedule B-1, respectively.

(g) Columns 8 and 9 shall reflect the name and address of holders of more than 5 percent of the issue or \$500,000, whichever is smaller, showing for each such holder the amount held as at the end of the reporting period.

Section 34—Profit and Loss Elements

Schedules P-1.1 and P-1.2—Income Statement

(a) Schedule P-1.1 shall be filed by each Group I supplemental air carrier and schedule P-1.2 shall be filed by each Group II supplemental air carrier.

(b) Data shall be reported only in the column headed "Quarter." Cumulative "12 Months to Date" information is not required from supplemental air carriers. The caption "operation" is not applicable to supplemental air carriers.

(c) Data reported on this schedule shall conform with the instructions pertaining to profit and loss classifications within this Uniform System of Accounts and Reports.

(d) "Unappropriated Retained Earnings—Beginning of Period" shall be the sum of Account 2940 "Unappropriated Retained Earnings" and Account 2941 "Net Income" reported on the balance

sheet as at the close of the previous quarter.

(e) "Unappropriated Retained Earnings—End of Period" shall be the sum of Account 2940 "Unappropriated Retained Earnings" and Account 2941 "Net Income" reported on the balance sheet as at the close of the current quarter.

Schedule P-2—Notes to Income Statement

(a) This schedule shall be filed by each supplemental air carrier.

(b) All substantive matters which may influence materially interpretations or conclusions in regard to the earnings position of the air carrier which are not clearly identified in the body of the income statement shall be completely and clearly stated in this schedule and cross-referenced to the affected profit and loss account.

(c) Balances in subaccounts 84.1 and 84.2 of profit and loss account 8100 as reported on the P-1 schedules, together with dividends declared in the current period on the stocks of subsidiary companies, shall be noted on this schedule.

Schedule P-3.1—Transport Revenues

(a) This schedule shall be filed by each supplemental air carrier.

(b) The schedule shall reflect the distribution of revenues by geographic area. (See section 31(h).)

(c) Revenues reported shall reflect the aggregate revenue from each indicated class of traffic. In the case of military contracts, type of service shall be reported under the appropriate objective account. Abbreviations may be used in reflecting type of service, such as CAMs (Commercial Air Movements), CAFs (Commercial Air Freight Movements), MAC-FC (Military Airlift Command Fixed Contracts), MAC-CC (Military Airlift Command Call Contracts). The type of aircraft shall also be reported for each type of service, e.g., CAMs—DC-4. Type of service would also include maintenance, equipment modification, personnel training, etc.

(d) The sum of the subdivisions of each objective account reported in this schedule shall agree with the corresponding amounts reported in schedule P-1—Income Statement.

Schedule P-4—Incidental Revenues—Net; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments

(a) This schedule shall be filed by each Group II supplemental carrier.

(b) Incidental revenues—net shall be reported in this schedule in conformance with the instructions pertaining to each item in section 9-4600 Incidental Revenues—Net.

(c) Receipts from and payments to other air carriers under agreements providing for mutual financial assistance in the case of work stoppage shall be identified in separate amounts for the individual air carriers involved, through appropriate footnote on Schedule P-2

and shall be cross-referenced to account 18, Other Incidental Revenues reflected in this schedule. The note covering payments under such agreements shall identify the items and the amounts of the gross revenues and gross expenses upon which the payments to each air carrier are predicated.

(d) The aggregate of all net incidental revenues reported in this schedule shall agree with the corresponding net amount reported for classification 4600 Incidental Revenues—Net, in Schedule P-1.

(e) Each special income item shall be fully identified and reported in gross amount in this schedule.

(f) Special credits to income during the current accounting period shall be identified in positive amounts and any special debits to income shall be identified by asterisks (*).

(g) Special income and special income tax credit and debit items shall be reported separately.

(h) The net of special income items and the net of special income tax items reported in this schedule shall agree with corresponding amounts reported in schedule P-1.

(i) Deferred Federal income tax adjustments shall be fully explained in the bottom section of this schedule. The explanations for each credit and debit, respectively, shall identify the property to which related, provide a complete description of the adjustment and the reasons for the adjustment.

(j) Dividends declared and retained earnings adjustments shall be fully explained in the bottom section of this schedule. If a dividend is not payable in cash, the values of amounts declared shall be completely described.

Schedules P-5.1 and P-5.2—Aircraft Operating Expenses

(a) Schedule P-5.1 shall be filed by each Group I supplemental air carrier and schedule P-5.2 shall be filed by each Group II supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each column is not applicable to supplemental air carriers.

(c) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type." However, each air carrier may group, on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed wing and rotary wing aircraft types, and between reciprocal engine, turbojet and turboprop aircraft types are established as follows: (1) single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine

types, are to be separately reported. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(d) "Aircraft type" refers to models, such as DC-6, DC-6A, CV-240, L-649, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(e) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting but shall be used for reporting purposes only.

(f) Item 79.6 Applied Maintenance Burden shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between maintenance of flight equipment, by aircraft types, and maintenance of ground property and equipment (exclusive of maintenance buildings) in accordance with item (d) of the instructions for schedule P-6. The amount reported for this item, in aggregate for all aircraft types, shall agree with the amount reported for the same item reflected on schedule P-6.

(g) Item 73.1 Current Provisions (for obsolescence and deterioration of flight equipment expendable parts) shall reflect the gross provisions for losses in value of expendable parts during the current accounting period.

(h) Item 73.2 Inventory Decline Credits shall reflect credits applicable to the current period for any adjustments for excess inventory levels determined pursuant to section 6-1311.

(i) The total of function 5100 Flying Operations reported on this schedule shall agree with corresponding amounts reported on schedule P-1, and the total of item 5278 Total Direct Maintenance—Flight Equipment shall agree with the corresponding amount reported in schedule P-6.

Schedule P-5(a) Components of Flight Equipment Depreciation

(a) This schedule shall be filed by each supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each schedule is not applicable to supplemental air carriers.

(c) Data applicable to each aircraft type operated by the air carrier shall be reported in separate columns of this schedule and each aircraft type for which report is being made shall be identified at the head of each column in the space provided opposite "Aircraft Type."

However, each air carrier may group, on a uniform basis, data applicable to small single-engine aircraft types of approximately equivalent size, flight principles and characteristics. For this purpose two groups, with subdivision as between fixed-wing and rotary-wing aircraft types, and between reciprocal-engine, turbojet and turboprop aircraft types are established as follows: (1) Single-engine aircraft with maximum continuous horsepower of 300 or under; (2) single-engine aircraft with maximum continuous horsepower of 301 to 450, inclusive. All other aircraft types, including larger single-engine and small twin-engine types, are to be separately reported. Aircraft types not generally used in revenue services shall be separately reported. If more than one type of aircraft is involved, a separation of data relating to each type of aircraft shall not be required.

(d) "Aircraft type" refers to models, such as DC-6, DC-6A, CV-240, L-649, etc., as designated by the manufacturer. Data applicable to aircraft designed primarily for cargo services and only incidentally used for passenger services shall be reported in separate columns, and the word "cargo" shall be inserted after the aircraft type at the head of the column. The prescribed reporting by aircraft types may be reviewed from time to time upon request by individual air carriers, or upon the initiative of the Board, and groupings of aircraft types for reporting purposes may be prescribed or amended in specific instances.

(e) Italicized codes and item titles do not constitute accounts or account numbers prescribed for air carrier accounting but shall be used for reporting purposes only.

(f) All items shall be completed by each Group II air carrier, and all items except items 76.3, 76.4, 70.3, and 70.4 shall be completed by each Group I air carrier. Items 76.1 through 76.6 shall reflect flight equipment depreciation expense provisions computed in accordance with such standards as may be or are prescribed for regulatory purposes. Items 70.1 through 70.6 shall reflect the difference between the amounts reported in items 76.1 through 76.6 on this schedule and the flight equipment depreciation amounts reported in items 75.1 through 75.6 on Schedule P-5.1 or P-5.2, as applicable. Item 75.6 shall reflect the flight equipment depreciation amounts reported in this item on Schedule P-5.1 or P-5.2, as applicable.

(g) Amounts included in line items 70.1 through 70.5 shall be explained in the bottom section of this schedule. The explanation shall set forth the factors giving rise to the differences between regulatory components and carrier components of flight equipment depreciation expense.

Schedule P-6—Maintenance, Passenger Service, and General Services and Administration Expense Functions

(a) This schedule shall be filed by each supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each column is not applicable to supplemental air carriers.

(c) Group I supplemental air carriers shall report the indicated data for all items except function 5500 Passenger Service.

(d) Group II supplemental air carriers shall report the indicated data for all items except function 6900 General Services and Administration.

(e) Items 79.6 Applied Maintenance Burden—Flight Equipment and 79.8 Applied Maintenance Burden—General Ground Property, respectively, shall reflect a memorandum allocation by each air carrier of the total expenses included in subfunction 5300 Maintenance Burden between maintenance of flight equipment (by aircraft types) and maintenance of ground property and equipment (exclusive of maintenance equipment and maintenance buildings for which costs are included in subfunction 5300). Where air frame and aircraft engine overhauls are accounted for on the accrual basis to produce a matching of costs with the operation of aircraft, the allocation of maintenance burden shall give effect to charges and credits to profit and loss account 5272 Flight Equipment Airworthiness Provisions in order to effect an equitable allocation of such maintenance burden costs. Each supplemental air carrier shall file with the Civil Aeronautics Board a statement as a supplement to this schedule in which the procedures to be followed in allocating maintenance burden are fully explained. Revisions in such allocation procedures shall not be effected for 30 days following written notice to the Civil Aeronautics Board. (See section 32(d).) At the option of the supplemental air carrier, standard burden rates may be employed for quarterly allocations of maintenance burden provided the rates are reviewed at least once each accounting year and the amounts allocated are adjusted to reflect the actual costs incurred for the full accounting year. Any differences between actual burden costs incurred during each quarter and amounts applied at standard rates shall be entered as item 79.9 Over or Under Applied Burden.

(f) The sum of the totals of subfunctions 5200 Direct Maintenance and 5300 Maintenance Burden shall agree with the corresponding amount reported in function 5400 on schedule P-1. The total of function 6900 General Services and Administration reported in this schedule by Group I supplemental air carriers shall agree with the corresponding amount reported on schedule P-1.

Schedule P-7—Aircraft and Traffic Servicing, Promotion and Sales, and General and Administrative Expense Functions

(a) This schedule shall be filed by each Group II supplemental air carrier.

(b) The schedule shall be filed for quarterly data only. The caption "Operation" at the head of each column is

not applicable to supplemental air carriers.

(c) Supplemental air carriers shall report the indicated data for all items except subfunction 6100 Aircraft Servicing.

(d) The total of each functional expense classification reported in this schedule shall agree with the corresponding amount reported on schedule P-1.

Section 35—Traffic and Capacity Elements

General Instructions:

(a) The prescribed reporting for traffic and capacity elements is designed to reflect the physical factors related to air transport operations as actually conducted.

(b) All statistics to be reported in the following schedules shall be compiled in accordance with the definitions set forth in section 03 Definitions for Purposes of This System of Accounts and Reports. In principle, elements which are common to different statistics shall be measured on a consistent basis for all statistics of which they are a component. Thus, all passenger-mile, seat-mile, ton-mile and aircraft-mile statistics applicable to a particular service or operation shall be compiled on a direct airport-to-airport mileage basis in terms of a consistent measurement of aircraft movement by flight stages. All statistics pertaining to actual operations shall be compiled in terms of each flight stage as actually performed.

(c) As a general rule, the traffic and capacity measurements to be reported on these schedules are designed to represent the physical operations reflected by the revenues and expenses, respectively, for the same period. Thus, except as separately provided for, aircraft capacity elements associated with deferred costs are not to be included in reported statistics whereas the revenue traffic elements associated with flights for which costs but not revenues are deferred shall be reported as if carried on other flights and the amounts so included shall be disclosed by footnote to the applicable item. For purposes of reporting by aircraft types on schedule T-3.1, small single-engine aircraft types may be grouped in accordance with the instructions in section 34, schedule P-5.1, paragraph (c).

Schedule T-3.1—Statement of Traffic and Capacity Statistics

(a) This schedule shall be filed by each supplemental air carrier.

(b) Separate schedules shall be filed for (1) domestic within the 48 contiguous States; (2) domestic-Alaska/Hawaii; (3) territorial; and (4) international including Canadian transborder by aircraft types. (See section 31(h).)

(c) Each schedule shall reflect a distribution of data by individual sales, charter or military services.

(d) All mileage data shall be based upon direct airport-to-airport distances as distinguished from course-flown distances. Mileage related to flights which are not measurable in terms of airport-

to-airport distances shall be determined by applying a typical airport-to-airport speed for each aircraft type to the aircraft hours flown by each aircraft type in such flights.

(e) Aircraft hours data shall be based upon the time each aircraft becomes airborne on takeoff to the time of ground contact upon landing.

(f) Aircraft days assigned to service by aircraft type shall reflect the sum of the number of days that each aircraft owned by the reporting carrier and each aircraft rented, leased or borrowed from others is in the possession of the carrier. For reporting purposes, part of a day shall be considered a full day. Aircraft days assigned to service need not be reported separately for domestic, territorial, and international operations, but may be reported in total on the domestic sheet.

(g) Available ton-miles shall be computed by multiplying the miles flown per each interstation trip in revenue service by the available load for that trip. In determining the available load, the supplemental carrier may use either the actual capacity for each trip or an average for each type of aircraft which represents the capacity actually available for sale in its operations.

(h) Available seat-miles shall be computed by multiplying the miles flown per each interstation trip by the number of seats available on that trip for the carriage of passengers. In determining the number of available seats, the supplemental carrier may use either the actual capacity for each trip or a standard which represents an average for each type of aircraft used in the carrier's operations.

(i) Each supplemental air carrier shall submit to the Civil Aeronautics Board a detailed statement of its method of computing available ton-miles and available seat-miles for each type of aircraft operated. Also, any future changes in methods of computation shall be submitted, subject to review and approval by the Civil Aeronautics Board. (See section 32(d).) The measurement of available aircraft capacity may reflect company minimum fuel requirements in lieu of the requirements under Civil Air Regulations, provided that the use of such company fuel requirements is indicated in the above statement and that the statement contain certification by a responsible company official that said fuel loads are not in excess of company safety requirements. The reason for exclusion of any installed seats in the computation of available seat-miles with respect to any aircraft type and the provisions made for protecting against the sale of such seats shall be described in this statement and shall be certified to by a responsible company official. (See section 03 "seats available".)

(j) Revenue passenger originations shall represent an unduplicated count of passengers originating journeys on the lines of each reporting entity. (See Section 03 "Passenger originations".)

(k) Revenue passenger-miles shall be computed by multiplying the revenue miles flown per each interstation trip by

the number of revenue passengers carried on that trip.

(l) Revenue freight-ton-miles shall be computed by multiplying the revenue miles flown per each interstation trip by the number of tons of freight carried on that trip.

(m) The number of employees shall represent the total number of full and part-time employees, both permanent and temporary, who worked or received pay for any part of the pay period(s) ending nearest the 15th of the final month during the current quarter.

Schedule T-6—Summary of Civil Aircraft Charters

(a) This schedule shall be filed by each supplemental air carrier.

(b) Separate reports shall be filed for each of the below-named types of charters and the type shall be inserted opposite the caption "Type of Charter."

(1) Inclusive tour charter, as defined in Part 378 of the Board's Special Regulations.

(2) Single entity charter, as defined in Part 208 of the Board's Economic Regulations. Charters in which passengers and cargo are carried on the same aircraft are to be reported as single entity charters.

(3) Split charter, as provided for in § 208.6 of the Board's Economic Regulations.

(4) Pro rata charter, as defined in Part 208 of the Board's Economic Regulations. Mixed charters, as defined in Part 208, are to be reported as pro rata charters.

(5) All-cargo charter.

(6) Study group charter, as defined in Part 373 of the Board's Special Regulations.

(7) Overseas military personnel charter, as defined in Part 372 of the Board's Special Regulations.

(c) The data for each flight shall be reported in the quarter in which its performance actually begins. If a charter contract calls for more than one flight, each of the flights shall be reported in the quarter in which it actually begins. Round trips shall be reported as a single service without breakdown by directional components.

(d) All points included in the report shall be identified by the three-letter airport code used in the Official Airline Guide.

(e) All civilian charter flights shall be reported, including those which do not have a U.S. point in the itinerary; military charters shall not be reported.

(f) Columns 1 and 2 shall reflect the origin and destination, respectively, of the charter flight. For round-trip charters, the origin point shall be shown also as the destination point.

(g) Column 3 shall reflect the number of flights which begin in the current quarter.

(h) Columns 4 and 5 shall reflect, respectively, the aggregate number of seats and the aggregate cargo capacity in tons contracted for on flights reported in Column 3. Column 4 on the split charter report shall reflect a breakdown of the aggregate number of seats contracted for (on flights reported in column 3) by type

of charter group. The following symbols shall be used: A—single entity; B—pro rata; C—study group; D—inclusive tour; and E—overseas military personnel.

(i) Columns 6 through 12 shall reflect the intermediate points (where a portion of the charter traffic is either enplaned or deplaned) in operating sequence between origin and destination. On round-trip flights, all stopover points other than the common origin and destination shall be shown as intermediate points. Indicate instances where there is a break in air transportation, such as surface travel, by placing an asterisk between the pairs of points where such a break occurs.

Section 36—General Corporate Elements

Schedule G-41—Persons Holding More Than 5 Per Centum of Respondent's Capital Stock or Capital

(a) This schedule shall be filed by each supplemental air carrier.

(b) Columns 1 and 2 shall reflect the names and addresses of all persons who hold, as of the end of any month of the year, more than five (5) per centum of the issued and outstanding capital stock or, in the case of an unincorporated business enterprise, more than five (5) per centum of the total invested capital of the reporting carrier.

(c) Column 3, "Held for Own Account", shall reflect by the word "yes" or "no" whether or not the interest is held for the account of the person named in column 1. In cases where the answer is "no" the name and address of the persons for whose account the interest is held shall be indicated by footnotes.

(d) Columns 4 through 7 shall pertain to the capital stock or the invested capital (exceeding 5 percent) held by the persons named in column 1. Column 4 shall reflect the class(es) of those shares held; column 5 shall reflect the maximum number of shares of each class of stock or the maximum amount of invested capital held as of the end of any month of the year; column 6 shall reflect the percent of total outstanding capital which such maximum shares or maximum invested capital represent; and column 7 shall reflect the number of such shares or amount of invested capital held at year end.

Schedule G-42—Compensation and Expenses of All General Officers and Directors and of Management Personnel Receiving \$20,000 or More per Annum for Personal Services

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported individually for each elective corporate officer, executive and director. The dates to be reported in column 3 shall be the dates each such elective officer, executive and director was first elected to the office held at the date of the report. Reports shall be made in aggregate for all management personnel receiving compensation for personal services of \$20,000 or more per annum.

The name of each elective officer, executive and director and the number of management personnel receiving \$20,000 or more per annum shall be entered in column 1; the annual compensation and reimbursed expenses paid during the calendar year to each officer, executive and director, and the aggregate thereof for all such management personnel, shall be entered in columns 5, 6, and 7, respectively; and the upper and lower limits in the range of compensation and expenses paid to management personnel shall be separately stated in such columns 5, 6, and 7.

(c) Management personnel shall include all general supervisory and administrative personnel not directly responsible for the in-flight operation of aircraft or engaged directly in the performance of maintenance activities. Management personnel, as distinguished from elective officers and directors, for whom report is to be made shall include those who receive \$20,000 or more compensation for personal services during the previous calendar year and those initially employed during the current calendar year at an annual compensation rate of \$20,000 or more.

(d) Indirect compensation in column 6 shall include payments made by persons holding management contracts providing for management of, or services to, the air carrier or its associated companies.

(e) Expenses borne by the supplemental air carrier to be reported in column 7 shall include all reimbursements to the persons listed in column 1, regardless of whether for goods or services used by the persons listed or by others; whether in the form of per diem or other allowances, or reimbursement for specific expenditures; and whether for amounts reimbursed directly to the persons listed or, except for standby hotel or other facilities maintained for the air carrier's personnel generally, indirectly through vendors who bill the air carrier directly.

(f) Columns 8 through 11 shall reflect securities of the supplemental air carrier owned by officers, directors, or management personnel as at December 31. Column 8 shall reflect the class of capital stock, bonds or other securities of the air carrier owned; columns 9 and 10, respectively, shall reflect the number of shares of stock held in the name of, or for the account of, each general officer, and director, and all management personnel receiving \$20,000 or more per annum; and column 11 shall reflect the principal amount of bonds or other securities held in the name of, or for the account of, each general officer and director and all management personnel receiving \$20,000 or more per annum for personal services.

Schedule G-43—Compensation and Expenses of Persons and Firms (Other Than Directors, Officers and Employees) Receiving \$5,000 or More During the Calendar Year

(a) This schedule shall be filed by each supplemental air carrier.

(b) The indicated data shall be reported for each person or firm, other

than directors, officers and employees of the supplemental air carrier, receiving compensation or expense reimbursements of \$5,000 or more during the calendar year.

(c) Compensation and expenses to be reported in this schedule shall include fees, retainers, gifts, commissions, contributions, allowance for expenses or any form of payments amounting in the aggregate to \$5,000 or more during the year. In addition to expense reimbursements paid directly to the recipients reflected in column 1, this schedule shall include expenses incurred by the persons or firms named in column 1 which have been paid directly to vendors by the supplemental air carrier. Expenses to be reported in this schedule shall encompass payments, such as for legal, medical, engineering, advertising, accounting, statistical, educational, or charitable purposes but shall exclude payments for services which both as to their nature and amount may reasonably be regarded as ordinarily connected with the routine physical operation or maintenance of an air carrier such as payments for rent of buildings or property, for heat, light, power, telegraph, and telephone or payments to other carriers for interchange of equipment or settlement of interline traffic balances.

(d) "Persons or firms" shall be construed to mean individuals, partnerships, corporations or other legal entities.

Schedule G-44—Corporate and Securities Data

(a) This schedule shall be filed by each supplemental air carrier.

(b) The information to be reported on this schedule shall be prepared in accordance with the detailed instructions set forth on the schedule, as follows: (Corporations shall complete all of the following items; partnerships and sole proprietorships are not required to report items 4, 5, and 7.)

(1) The supplemental air carrier's exact name at the close of the year. Also, indicate whether the supplemental air carrier is a corporation, partnership or sole proprietorship.

(2) Date of incorporation or other organization.

(3) State or other sovereign power under which incorporated or otherwise organized.

(4) Date of termination of charter.

(5) Date and place of annual meetings.

(6) A complete statement setting forth dates of all consolidations, mergers, reorganizations, changes in name, etc., occurring during the year. If, during the year, an original charter of incorporation or a modification of an existing charter was granted, furnish the name of each Government, State or Territory, and reference to each statute under which such grant was made.

(7) With respect to any options outstanding at the close of the fiscal year to purchase securities of the air carrier from the air carrier, the following information shall be reported:

(i) The amount, with the title of the issue, called for by such options.

(ii) A brief outline of the prices, expiration dates, and other material conditions on which such options may be exercised.

(iii) The name and address of each person holding such options calling for more than 5 percent of the total amount subject to option, and the amount called for by the options of each person.

(iv) For each class of such options not previously reported, state the consideration for the granting thereof.

NOTE: The reporting requirements contained herein have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

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