

rules and regulations

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Title 5—Administrative Personnel

CHAPTER I—CIVIL SERVICE COMMISSION

PART 213—EXCEPTED SERVICE

Department of Defense

Section 213.3206 is amended to show that the following positions are no longer excepted under Schedule B: (1) professional members of the Policy Planning Staff in positions at grades GS-16 and above in the Office of the Assistant Secretary of Defense (International Security Affairs); (2) two Special Projects Directors, GS-15, in the Office of the Deputy Assistant Secretary (Planning and MSC), Office of the Assistant Secretary of Defense (International Security Affairs); (3) professional positions above grade GS-15 performing work involving systems, costs, and economic analysis functions in the Office of the Assistant Secretary (Program Analysis and Evaluation), which was formerly designated as the Office of the Assistant Secretary (Systems Analysis); (4) professional positions above grade GS-15 performing work involving systems, costs, and economic analysis functions in the Operations Analysis Group and the Office of the Deputy Assistant Secretary (Management Systems Development), both in the Office of the Assistant Secretary (Comptroller), since these organizations no longer exist; and professional positions at grades GS-16 and above in the Directorate for Special Studies, Office of the Deputy Assistant Secretary (Manpower Requirements and Special Studies), Office of the Assistant Secretary of Defense (Manpower). This section is further amended to reflect the following organizational redesignation: from the Operations Analysis Group and the Office of the Deputy Assistant Secretary (Management Systems Development) to the Office of the Deputy Assistant Secretary (Systems Policy and Information) in the Office of the Assistant Secretary (Comptroller).

Effective December 5, 1974, § 213.3206 (a) (1), and (3) are revoked and (2) is amended as set out below.

§ 213.3206 Department of Defense.

(a) Office of the Secretary.

(1) [Revoked]

(2) Professional positions at GS-11 through GS-15 involving systems, costs, and economic analysis functions in the Office of the Assistant Secretary (Program Analysis and Evaluation); and in the Office of the Deputy Assistant Secretary (Systems Policy and Information) in the Office of the Assistant Secretary (Comptroller).

(3) [Revoked]

(5 U.S.C. sec. 3301, 3302; E.O. 10577, 3 CFR 1954-58 comp. p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] JAMES C. SPRY,
Executive Assistant
to the Commissioners.

[FR Doc. 74-28421 Filed 12-4-74; 8:45 am]

Title 7—Agriculture

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

[Navel Orange Reg. 329]

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

This regulation fixes the quantity of California-Arizona Navel oranges that may be shipped to fresh market during the weekly regulation period December 6-12, 1974. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 907. The quantity of Navel oranges so fixed was arrived at after consideration of the total available supply of Navel oranges, the quantity currently available for market, the fresh market demand for Navel oranges, Navel orange prices, and the relationship of season average returns to the parity price for Navel oranges.

§ 907.629 Navel Orange Regulation 329.

(a) Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of Navel oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and upon the basis of the recommendations and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order and upon other available information, it is hereby found that the limitation of handling of such Navel oranges as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for this regulation to limit the respective quantities of Navel oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the produc-

tion and marketing situation confronting the Navel orange industry.

(i) The committee has submitted its recommendation with respect to the quantities of Navel oranges that should be marketed during the next succeeding week. Such recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee further reports that the fresh market demand for Navel oranges continues to be unsettled. Prices f.o.b. averaged \$3.85 per carton on a reported sales volume of 797 cartons last week, compared with an average f.o.b. price of \$4.31 per carton and sales of 864 cartons a week earlier. Track and rolling supplies at 509 cars were up 37 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the respective quantities of Navel oranges which may be handled should be fixed as hereinafter set forth.

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this regulation is based became available and the time this regulation must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and notice thereof, to consider supply and market conditions for Navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period herein specified; and compliance with this regulation will not require any special preparation on

the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on December 3, 1974.

(b) *Order.* (1) The respective quantities of Navel oranges grown in Arizona and designated part of California which may be handled during the period December 6, 1974, through December 12, 1974, are hereby fixed as follows:

(i) District 1: 1,302,000 cartons;

(ii) District 2: Unlimited movement;

(iii) District 3: 98,000 cartons."

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in said amended marketing agreement and order.

(Secs. 1-19, 48 Stat. 31, as amended, 7 U.S.C. 601-674)

Dated: December 4, 1974.

CHARLES R. BRADER,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[FR Doc. 74-28612 Filed 12-4-74; 12:02 pm]

Title 9—Animals and Animal Products

CHAPTER III—ANIMAL AND PLANT HEALTH INSPECTION SERVICE (MEAT AND POULTRY PRODUCTS INSPECTION), DEPARTMENT OF AGRICULTURE

PART 317—LABELING, MARKING DEVICES, AND CONTAINERS

PART 381—POULTRY PRODUCTS INSPECTION REGULATIONS

Use of Terms "All," "Pure," and "100%" on Labels

On January 23, 1974, there appeared in the FEDERAL REGISTER (39 FR 2609) a notice of proposed rulemaking under the authority conferred by the Federal Meat Inspection Act and the Poultry Products Inspection Act to amend the regulations under said Acts to prohibit the use of terms, such as "all," "pure," and "100%," on meat and poultry product labels in a manner that might be misleading.

Statement of Considerations: A total of 34 responses to the proposal were received. Twenty-four of the responses came from consumers, all but three of whom favored the proposal. Also in favor of the proposal were two State agencies and one consumers' organization. Consumers stated the following as their reasons for favoring the proposal:

1. Most people are misled by the use on product labels of terms such as "all," "pure," or "100%."

2. Many products labeled "all," "pure," or "100%," actually contain additives.

3. Terms such as "all," "pure," and "100%," should be reserved for products which do not contain additives or other ingredients.

4. Consumers often read no further when terms such as "all," "pure," or "100%," appear on a product label.

5. Labels which read "Pure Lard" and contain additives are misleading.

Many of the consumer responses suggested that the Department should go beyond the provisions of the proposal

and require percentage labeling of additives or ingredients and the removal of all chemical additives from meat and poultry products. The Department permits only those chemical additives that it has determined by available information do not render products adulterated within the meaning of the Acts, and only in amounts necessary to produce the intended results. Chemical additives must be shown on product labels individually and by their common or usual name. Consumers are, therefore, provided with truthful and informative labeling at the point of purchase by which they can make knowledgeable selections.

As far as percentage labeling is concerned, the Department considers it to be of such vital importance to all concerned that the Administrator will deal with it in a future notice of rulemaking. The Department has had a voluntary percentage labeling program available to processors for over a year; however, very few companies have taken advantage of this program.

Expressing views against the proposal, in addition to the three consumers referred to above, were two meatpackers, three industry associations, and a container manufacturer whose comments were endorsed by a Member of Congress. The points raised by these respondents and the Administrator's responses are as follows:

1. One comment disagreed with the ruling of the U.S. District Court in the case of "Federation of Homemakers v. Butz" (328 F. Supp. 181, D.C. 1971) that the "ordinary meaning" of the term "all" on a product is that no other ingredients or additives are present in the product. The respondent acknowledged that the court's interpretation conformed to the dictionary definition of the term, but that according to common usage by the consumer over the years, such an interpretation is not correct. The Department was strongly urged by the respondent to seek a reversal of the ruling of the District Court. The Department did appeal the case to the U.S. Court of Appeals for the District of Columbia, which in a court decision on August 18, 1972, affirmed the District Court's judgment with minor modifications (See 466 F.2d 462). The court rejected the Department's arguments that the term "all" referred only to the meat ingredient and was employed to distinguish such product from those containing binders and extenders, and that the label was cured by the ingredients statement.

2. Several comments stated that the court decision in the case of "Federation of Homemakers v. Butz" is applicable only to cooked sausages and not to any other product.

The Administrator does not agree with this interpretation of the decision. A term found to be misleading within the meaning of the Act in one case may be considered as misleading whenever used in a similar manner and for a similar purpose, regardless of the product involved. The use of similar terms, such as "pure" or "100%," may also be misleading when similarly used. Section 1(n) (1)

of the Federal Meat Inspection Act defines a product as misbranded "if its labeling is false or misleading in any particular." The Administrator finds that it would be extremely confusing to consumers if some labels could use such terms as "All Beef" or "All Meat" in connection with a product which is not entirely beef or meat, and others containing similar ingredients could not use such terms.

3. One comment against the proposal stated, "It is best to leave labels on the products 'as is' to avoid more confusion to the buyers."

However, the responses of most consumers to the proposal indicated that limiting the use of terms such as "all," "pure," and "100%" to the labels of products with only one ingredient would eliminate confusion, clarify product identity, and remove any possibility of misleading information on product labels.

4. One comment suggested a specific need for the use of the term in the case of shortenings. The respondent stated that "When the ingredient listing only indicates 'shortening', for example, we have no idea whether it is of vegetable or animal origin."

The Administrator agrees that an ingredient listed as "shortening" does not provide sufficient information regarding the composition of the shortening. This has been a longstanding practice in all food labeling which is presently under review and will be dealt with in a separate notice of proposed rulemaking.

5. Several respondents were against the proposal because of the high cost of making label changes which they said must be absorbed by the packer and passed on to the consumer.

The Administrator indicated in the proposal that he was aware of the extensive labeling changes that would be required and would take that into consideration in the final notice. These amendments are not to become effective until December 31, 1975. Therefore, all concerned will have until December 31, 1975, to bring all labels into compliance with these amendments. This time allowance should permit ample opportunity for packers to exhaust current label stocks and decrease the cost of label changes.

6. One comment suggested that the proposed regulation is not in accordance with the provisions of the Federal Meat Inspection Act in that section 7(d) of the Act specifically authorizes the use of "established trade names" on meat products. It was claimed that certain names have become familiar to consumers through many years of use and serve to identify classes of product and to distinguish such classes of product from others. Section 7(d) of the Act, however, authorizes only those "established trade names" that "are not false or misleading." The fact that some consumers may have become familiar with a particular trade name does not render that particular name in compliance with the

requirements of the Act or with the decision of the court in "Federation of Homeowners v. Butz."

7. Comments suggested that the proposal is not consistent with labeling practices in the food industry generally. Photographs were submitted showing such foods as "100% Whole Wheat Bread, calcium propionate added to retard spoilage", "Pure Prepared Mustard", "All Butter Enriched Bread", "Pure Safflower Oil containing a preservative", and "Pure Egg Noodle", all of which contain more than one ingredient.

However, the examples cited are for nonmeat and nonpoultry foods which are not under the jurisdiction of the Department of Agriculture and are therefore not subject to the proposed regulation. Most consumer responses supported the proposal limiting the use of terms such as "all", "pure", or "100%" to products containing only the ingredient identified without additives. Based on all the responses and other available information, the Administrator concludes that the continued use of such terms on product labels would be misleading to consumers and would not be in accord with the Federal Meat Inspection Act and the Poultry Products Inspection Act. The amendment should not impose any undue hardships upon the meat and poultry processors and packers. Although denied the use of purity terms to describe their meat and poultry products formulated with more than one ingredient they will be permitted to inform the consumer about the quality of their products by other labeling, e.g. percentage labeling, which is not false or misleading and which is approved by the Department under the Acts.

8. Another comment suggested that the poultry industry needed the term "all" to properly inform consumers whether the meat in the product was white or dark.

The Administrator does not agree. The poultry products inspection regulations provide that where the color of poultry meat in a product has a material bearing on consumer preferences, the product label must state the color of the meat contained therein. A product whose meat content is white meat only must be labeled "white meat", and if the meat content is only dark meat, the product must be labeled "dark meat". When the meat content is both white and dark meat, the product label must so state this fact. The Administrator concludes that present poultry products inspection regulations provide adequate labeling requirements to properly inform consumers of the meat color in poultry products without the need of additional terminology.

As no substantive facts were presented that would warrant changes to the proposal as published, and after considering all information available to the Department, including the comments received pursuant to the notice, § 317.8(b) of the meat inspection regulations (9 CFR

317.8(b)) and § 381.129(b) of the poultry products inspection regulations (9 CFR 381.129(b)) are adopted as set forth in the proposal.

(Secs. 7 and 21, 34 Stat. 1260, as amended, 21 U.S.C. 607, 621; Secs. 8 and 14, 71 Stat. 441, as amended, 21 U.S.C. 457, 463; 37 FR 28464, 28477)

It does not appear that further public participation in rulemaking proceedings on these amendments would make additional relevant information available to the Department which would alter the decision. Therefore, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that further notice and other public procedure concerning these amendments are impracticable and unnecessary.

These amendments shall become effective December 31, 1975.

Done at Washington, D.C., on: December 2, 1974.

F. J. MULHERN,
Administrator, Animal and Plant
Health Inspection Service.

1. In § 317.8 paragraph (b)(34) is added to read as follows:

§ 317.8 False or misleading labeling or practices generally; specific prohibitions and requirements for labels and containers.

(b) * * *

(34) The terms "All," "Pure," "100%," and terms of similar connotation shall not be used on labels for products to identify ingredient content, unless the product is prepared solely from a single ingredient.

2. In § 381.129 paragraph (b)(5) is added to read as follows:

§ 381.129 False or misleading labeling or containers.

(b) * * *

(5) The terms "All," "Pure," "100%," and terms of similar connotation shall not be used on labels for products to identify ingredient content, unless the product is prepared solely from a single ingredient.

[FR Doc. 74-28459 Filed 12-4-74; 8:45 am]

Title 12—Banks and Banking

CHAPTER III—FEDERAL DEPOSIT INSURANCE CORPORATION

SUBCHAPTER B—REGULATIONS AND STATEMENTS OF GENERAL POLICY

PART 329—INTEREST ON DEPOSITS

Special Category of Time Deposits

After consultation and coordination with the Board of Governors of the Federal Reserve System and the Federal Home Loan Bank Board as prescribed by section 18(g) of the Federal Deposit Insurance Act, 12 U.S.C. 1828(g), it was determined to be in the public interest to create a special category of time deposits of public units as defined in section 3(m) of the Federal Deposit Insurance Act (12 U.S.C. 1813(m)). Specifically the

amendments will allow the payment of interest on public unit time deposits of less than \$100,000 at a rate equal to the maximum rate (presently 7½ percent) that may be paid on such deposits by any State nonmember bank (including a mutual savings bank) subject to the Corporation's regulations governing payment of interest on deposit accounts. In addition, all such banks may now hold savings deposits of public units.

1. Section 329.1 of the regulations of the Corporation governing interest on deposits is amended by revising paragraph (e)(1) and footnote 4 as follows:

§ 329.1 Definitions.

(e) *Savings deposits.* (1) The term "savings deposit" means a deposit:

(i) Which consists of funds deposited to the credit of one or more individuals, or of a public unit, as defined in section 3(m) of the Federal Deposit Insurance Act, or of a corporation, association, or other organization operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes and not operated for profit, or in which the entire beneficial interest is held by one or more individuals or public units, or by such a corporation, association, or other organization; and

2. In § 329.6, paragraph (b)(1) is amended and a new paragraph (b)(3) is added as follows:

§ 329.6 Maximum rates of interest payable on time and savings deposits by insured nonmember banks other than insured nonmember mutual savings banks.⁴

(b) *Deposits of less than \$100,000.* (1) Except as provided in paragraphs (b)(2) and (3) of this section, no insured nonmember bank shall pay interest on any time deposit of less than \$100,000 at a rate in excess of the applicable rate under the following schedule: * * *

(2) * * *

(3) *Time deposits of public units.* No insured nonmember bank shall pay interest on any time deposit of a public unit as defined in section 3(m) of the Federal Deposit Insurance Act at a rate in excess of the maximum rate that may be paid on any time deposit of less than \$100,000 by any insured nonmember bank (including a mutual savings bank) subject to the provisions of this Part.

⁴Deposits in joint accounts of two or more individuals may be classified as savings deposits if they meet the other requirements of the above definition, but deposits of a partnership operated for profit may not be so classified. Deposits to the credit of an individual or a public unit of funds in which the beneficial interest is held by a corporation, partnership, association, or other organization operated for profit or not operated primarily for religious, philanthropic, charitable, educational, fraternal, or other similar purposes may not be classified as savings deposits, except as otherwise permitted in this paragraph.

3. In § 329.7, paragraphs (b) (1) and (3) are revised and a new paragraph (b) (5) is added as follows:

§ 329.7 Maximum rates of interest or dividends payable on deposits by insured nonmember mutual savings banks.¹⁴

(b) *Maximum rates payable.* (1) *General.* (i) Except as provided in paragraphs (b) (2), (3), (4) and (5) and paragraph (e) of this section, no insured nonmember mutual savings bank shall pay interest or dividends at a rate in excess of 5¼ percent per annum on any deposit. Section 329.3(b), relating to modification of deposit contracts to conform to regulations, shall apply to insured nonmember mutual savings banks.

(2) * * *

(3) *Time deposits of less than \$100,000.* Except as provided in paragraphs (b) (4) and (5) of this section, no insured nonmember mutual savings bank shall pay interest or dividends on any time deposit of less than \$100,000 at a rate in excess of the applicable rate under the following schedule: * * *

(4) * * *

(5) *Time deposits of public units.* No insured nonmember mutual savings bank shall pay interest or dividends on any time deposit of a public unit as defined in section 3(m) of the Federal Deposit Insurance Act at a rate in excess of the maximum rate that may be paid on any time deposit of less than \$100,000 by any insured nonmember bank (including a mutual savings bank) subject to the provisions of this Part.

(Sec. 9, 64 Stat. 881, 12 U.S.C. 1819; Sec. 18, 64 Stat. 893, 80 Stat. 824, 12 U.S.C. 1828)

4. Inasmuch as these amendments enlarge existing rights afforded by those previously existing regulations which they amend, the Corporation's Board of Directors found that no purpose would be served by following the provisions of sections 553(b) and 553(d) of Title 5 of the United States Code and §§ 302.1, 302.2, and 302.5 of the rules and regulations of the Federal Deposit Insurance Corporation, with respect to notice, public participation, and deferred effective date.

5. *Effective date.* This regulation is effective November 27, 1974.

By order of the Board of Directors,
November 26, 1974.

FEDERAL DEPOSIT INSURANCE
CORPORATION,
[SEAL] ALAN R. MILLER,
Executive Secretary.

[FR Doc. 74-28454 Filed 12-4-74; 8:45 am]

CHAPTER V—FEDERAL HOME LOAN BANK BOARD

SUBCHAPTER C—FEDERAL SAVINGS AND LOAN SYSTEM

[No. 74-1220]

PART 544—CHARTER AND BYLAWS

PART 545—OPERATIONS

Amendments Relating to Advisory Directors

NOVEMBER 22, 1974.

The following summary of the amendments adopted by this resolution is provided for the reader's convenience and is subject to the full explanation in the following preamble and to the specific provisions of the regulations.

I. *Regulation Prior to Present Amendments.* Section 544.6(h) (2) permits a Federal association to adopt the following optional bylaw concerning advisory directors:

A. Advisory directors are appointed and their compensation determined by the association's board of directors.

B. Only former directors (including former directors of merged associations) are eligible.

C. Advisory directors may attend board of directors meetings but may not vote.

Section 545.6-8 prohibits loans (other than home loans) to certain insiders.

II. *Proposed Amendments.* A. Revoke optional bylaw 544.6(h) (2).

B. Add new § 545.26: 1. Would permit a Federal association to establish one or more advisory boards to advise the association concerning the operations of a branch office and other matters.

2. Advisory boards would be subject to the following limitations:

a. Fees to each advisory director not to exceed fees to a member of the board of directors.

b. Fees to be paid only for attendance at advisory board meetings.

c. Fees not to be paid for more than 12 advisory board meetings per year.

d. Each advisory director to be appointed on a year-to-year basis.

e. Advisory directors may attend meetings of board of directors but may not vote.

C. Revise § 545.6-8: Would add advisory directors to list of insiders who may not borrow from the association except on the security of his home.

III. *Final Amendments.* A. Revoke § 544.6(h) (2), as proposed.

B. Add new § 545.26: 1. New § 545.26 concerns yearly appointment of advisory directors and their attendance and voting at board meetings.

2. Provisions of proposed new § 545.26 concerning fees of advisory directors are reposed in connection with conflicts of interest proposal (Resolution No. 75-1219, dated November 22, 1974).

C. Section 545.6-8 not revised: 1. Limitations on loans to advisory directors re-proposed in conjunction with conflicts of interest proposal.

2. Section 545.6-8 would be revoked in conjunction with conflicts of interest proposal.

The Federal Home Loan Bank Board, by Resolution No. 74-62, dated January 30, 1974, proposed to amend Parts 544 and 545 of the rules and regulations for the Federal Savings and Loan System (12 CFR Parts 544 and 545) by revoking § 544.6(h) (2), by adding a new § 545.26 and by revising § 545.6-8. By a companion Resolution (Resolution No. 74-63; January 30, 1974), the Board also proposed to amend Part 563 of the Rules and Regulations for Insurance of Accounts (12 CFR Part 563) by revising § 563.34 thereof. Notice of such proposed rule makings was duly published in the FEDERAL REGISTER on February 20, 1974 (39 FR 5199 and 5200) with an invitation for interested persons to submit written comments by March 12, 1974. On the basis of its consideration of all relevant material presented by interested persons and otherwise available, the Board considers it advisable to adopt the amendments proposed by Resolution No. 74-62 with the changes discussed herein.

Section 544.6(h) (2) permits a Federal association to adopt a bylaw providing for advisory directors, subject to the following constraints: (1) advisory directors must be appointed and their compensation determined by the association's board of directors, (2) only former directors of such association (including former directors of merged institutions) are eligible to serve on its advisory board, and (3) advisory directors may be permitted to attend meetings of the association's board of directors but may not be permitted to vote on any matter acted on by such board. Section 544.6(h) (2) is revoked, as proposed. The validity of an optional bylaw previously adopted by any association pursuant to § 544.6(h) (2) will not be affected.

The proposal would have replaced revoked § 544.6(h) (2) with new § 545.26. Said proposed § 545.26 would have (1) permitted a Federal association to establish one or more advisory boards of directors or advisory committees to advise the association concerning the operations of a branch office and other matters, (2) required advisory directors to be appointed on a year-to-year basis, and (3) permitted advisory directors to attend meetings of the association's board of directors but prohibited advisory directors from voting on matters acted on by the board of directors. Proposed new § 545.26 would also have subjected Federal associations to the following three restrictions concerning the fees paid to advisory directors: (1) the fees to each advisory director could not exceed the fees

paid to a member of the association's board of directors, (2) fees could be paid only for attendance at advisory board meetings, and (3) fees could not be paid for more than twelve advisory board meetings per year. The provisions of proposed new § 545.26 concerning the authority to establish advisory board of directors and advisory committees, the required term of appointment of advisory directors and attendance and voting rights of advisory directors at board of directors meetings are adopted as proposed. The provisions of proposed § 545.26 concerning the fees paid to advisory directors by a Federal association are hereby withdrawn. However, somewhat different limitations on the fees paid to advisory directors (as well as other insiders) are proposed as new § 563.41 of the conflicts of interest proposal (Resolution No. 74-1219, dated November 22, 1974). The Board believes that these limitations are more appropriately considered in the context of the other parts of the conflicts of interest proposal.

In conjunction with proposed new § 545.26, the Board also proposed to amend § 545.6-8 by adding members of advisory boards of directors and advisory committees to the list of insiders to whom a Federal association could not make loans other than home or combination home and business loans. The proposed amendment to § 545.6-8 is hereby withdrawn. However, § 545.6-8 would be revoked by the above-mentioned conflicts of interest proposal and replaced by new § 563.43.

Resolution No. 74-63 would have amended § 563.34 of the Insurance Regulations to include members of an advisory board of directors or advisory committee within the groups defined as constituting an "interlock." An "interlock" is the term used in § 563.34 to describe the relationship between an insured institution and its depository. The conflicts of interest proposal also withdraws the amendments to § 563.34 which were proposed by Resolution 74-63.

Accordingly, the Federal Home Loan Bank Board hereby amends Part 544 by revoking § 544.6(h) (2) thereof and redesignating § 544.6(h) (1) as § 544.6(h) and amends Part 545 by adding a new § 545.26 thereto, to read as set forth below, effective January 6, 1975.

§ 544.6 [Amended]

1. In § 544.6 paragraph (h) (2) is deleted and (h) (1) redesignated as (h).
2. Section 545.26 is added to read as follows:

§ 545.26 Advisory boards or committees.

The board of directors of a Federal association may establish one or more advisory boards of directors or advisory committees. Such advisory boards or committees may be established for the purpose of advising an association concerning matters related to the operations of a branch office of the association or for such other purposes as the association's board of directors may authorize.

Such advisory boards or committees shall be subject to the following limitations:

(a) Each member of such an advisory board or committee shall be appointed by the association's board of directors on a year-to-year basis; and

(b) Members of such an advisory board or committee may be permitted to attend meetings of the association's board of directors, but shall have no vote at such meeting on any matter acted upon by the association's board of directors.

(Sec. 5, 48 Stat. 132, as amended; 12 U.S.C. 1464. Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR, 1943-48 Comp., p. 1071)

By the Federal Home Loan Bank Board.

[SEAL] GRENVILLE L. MILLARD, Jr.,
Assistant Secretary.

[FR Doc. 74-28462 Filed 12-4-74; 8:45 am]

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Airworthiness Docket No. 74-SW-48;
Amdt. 39-2039]

PART 39—AIRWORTHINESS DIRECTIVES

Bell Model 206A & B Helicopters

There have been inflight failures of the rotor brake disc used in the P/N 206-706-032-1 Rotor Brake Kit installed on Bell Model 206A and 206B helicopters. These failures occurred when the brake disc was rotating at normal engine operating speed and resulted in segments of the disc striking and seriously damaging critical components of the helicopter.

Since this condition is likely to exist or develop in other model 206A and 206B helicopters, an airworthiness directive is being issued to require this type of rotor brake disc to be removed from service.

Since a situation exists that requires immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable, and good cause exists for making this amendment effective in less than 30 days.

As a matter of record, the rotor brake assembly is optional for these helicopters and is not required for safety. Also, suitable brake disc assemblies of an improved design are available to replace the P/N 206-706-032-1 Rotor Brake Kit Assembly.

In consideration of the foregoing and pursuant to the authority delegated to me by the Administrator (31 FR 13697), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

BELL: Applies to Model 206A and 206B helicopters certificated in all categories and equipped with Rotor Brake Kit, P/N 206-706-032-1.

Compliance required within the next ten hours' time in service after the effective date of this airworthiness directive unless already accomplished.

To prevent failure of the rotor brake disc which could cause serious damage to critical components of the helicopter, accomplish the following:

a. Remove the engine to transmission drive-shaft and aft coupling. (Refer to Section VI of the Maintenance and Overhaul Manual.)

b. Remove the Rotor Brake Disc Assembly P/N 4000071 or 4000071-1, attachment bolts and gasket from the coupling and discard.

c. Reinstall the coupling and driveshaft as described in the Maintenance and Overhaul Manual.

d. Disable the brake by removing the P/N 156F538-4S-0061 hose assembly between the rotor brake and firewall and capping the AN833-4C elbows with AN929-4J caps or equivalent.

e. Bell Service Bulletin No. 206-50-74-1, Revision A, dated October 29, 1974 or later FAA/DER Approved Revision, includes equivalent instructions for these procedures and lists alternate FAA approved rotor brake configurations.

f. Equivalent methods of compliance with this Airworthiness Directive must be approved by the Chief, Engineering and Manufacturing Branch, Flight Standards Division, Southwest Region, Federal Aviation Administration.

This amendment becomes effective December 16, 1974.

(Secs. 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, and 1423); sec. 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)))

Issued in Fort Worth, Texas on November 22, 1974.

A. H. THURBURN,
Director,
Southwest Region.

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

Alteration of Transition Area

The Federal Aviation Administration is amending § 71.181 of Part 71 of the Federal Aviation Regulations so as to alter the Blackstone, Va. (39 FR 456) and Ogdensburg, N.Y. (39 FR 557) Transition Areas.

Due to a recent renaming of the airports which are the subject of the transition areas, an editorial change is required in the description of the areas.

Since the amendment is editorial in nature, notice and public procedure hereon are unnecessary and the amendment may be made effective in less than 30 days.

In view of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective December 5, 1974, as follows:

1. Amend § 71.181 of Part 71, Federal Aviation Regulations so as to alter the description of the Blackstone, Virginia 700-foot floor Transition Area by deleting, "Blackstone AAF" and by substituting, "Blackstone AAF-Allen C. Perkinson Municipal Airport" therefor.

2. Amend § 71.181 of Part 71, Federal Aviation Regulations so as to alter the description of the Ogdensburg, N.Y. 700-foot floor Transition Area by deleting, "Ogdensburg Municipal Airport" and by