Until March 31, 1977, for gas masks approved under Bureau of Mines Schedule 14F;

Until March 31, 1980, for supplied-air respirators approved under Bureau of Mines Schedule 19B;

Until March 31, 1976, for filter-type dust, fume, and mist respirators approved under Bureau of Mines Schedule 21B and for nonemergency gas respirators approved under Bureau of Mines Schedule 23B.

(Secs. 202(h), 204, 508, 83 Stat. 763, 764, 803 (30 U.S.C. 842(h), 844, 957); secs. 2, 3, 5, 36 Stat. 370, as amended 37 Stat. 681 (30 U.S.C. 3, 5, 7); sec. 8(g), 84 Stat. 1600 (29 U.S.C. 657(g)))

[FR Doc.74-8100 Filed 4-8-74;8:45 am]

Title 32—National Defense

CHAPTER XIV—THE RENEGOTIATION BOARD

PART 1464—CONSOLIDATED RENEGOTIATION OF AFFILIATED GROUPS AND RELATED GROUPS

CFR Correction

In § 1464.26(a) appearing on page 206 of 32 CFR Parts 1400–1599, revised as of July 1, 1973, the 12th through the last lines should read as follows: "for any such year or whether the renegotiable receipts or accruals of the group for any such year are less than the applicable minimum amount prescribed in section 105(f) of the act."

Title 33—Navigation and Navigable Waters

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

[CGD 74-17R]

PART 117—DRAWBRIDGE OPERATION REGULATIONS

Draw Signals for Cooper River, N.J.

This amendment changes the regulations for the State Street bridge across the Cooper River at Camden, New Jersey, to require the draw to open on signal if at least 4 hours notice is given. This amendment was circulated as a public notice dated January 30, 1974 by the Commander, Third Coast Guard District, and was published in the FEDERAL REGISTER as a notice of proposed rulemaking (CGD 74-17P) on January 23, 1974 (39 FR 2609). One reply was received which objected to the proposal on the grounds that vandalism could result at an unmanned bridge. The applicant feels that adequate protection will be provided to prevent vandalism.

Accordingly, Part 117 of Title 33 of the Code of Federal Regulations is amended by adding the State Street bridge in Camden, New Jersey to § 117.225(f)(17-a)(i) to read as follows:

§ 117.225 Navigable waters in the State of New Jersey; bridges where constant attendance of draw tenders is not required.

* * * * *

(f) * * *

(17-a) Cooper River:

(i) State Street bridge, Penn Central railroad bridge at North River Avenue and Camden County Highway bridge at Federal Street in Camden. The draws of these bridges shall open on signal if at least 4 hours notice is given.

* * * * *

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937 (33 U.S.C. 499, 49 U.S.C. 1655 (g)(2)); 49 CFR 1.46(c)(5), 33 CFR 1.05-1(c)(4)).

Effective date. This revision shall become effective on May 14, 1974.

Dated: April 3, 1974.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard Chief, Office of Marine Environment and Systems.

[FR Doc.74-8080 Filed 4-8-74;8:45 am]

[CGD 74-23R]

PART 117—DRAWBRIDGE OPERATION REGULATIONS

Draw Closing for West Palm Beach Canal, Florida

This amendment changes the regulations for the West Palm Beach Canal drawbridge that carries U.S. 1 to allow the draw to remain closed from 5:00 p.m. to 9:00 a.m. This amendment was circulated as a public notice dated February 6, 1974 by the Commander, Seventh Coast Guard District, and was published in the FEDERAL REGISTER as a notice of proposed rulemaking (CGD 74-23P) on February 4, 1974 (30 FR 4485). No responses were received.

Accordingly, Part 117 of Title 33 of the Code of Federal Regulations is amended by adding a new § 117.441a immediately after § 117.441 to read as follows:

§ 117.441a West Palm Beach Canal, Florida; U.S. 1 bridge.

The draw shall open on signal from 9 a.m. to 5 p.m. From 5:00 p.m. to 9:00 a.m. the draw need not open for the passage of vessels.

(Sec. 5, 28 Stat. 362, as amended, sec. 6(g)(2), 80 Stat. 937; (33 U.S.C. 499, 49 U.S.C. 1655 (g)(2)); 49 CFR 1.46(c)(5), 33 CFR 1.05-1(c)(4)).

Effective date. This revision shall become effective on May 14, 1974.

Dated: April 3, 1974.

W. M. BENKERT,
Rear Admiral, U.S. Coast Guard, Chief Office of Marine Environment and Systems.

[FR Doc.74-8081 Filed 4-8-74;8:45 am]

Title 40—Protection of Environment

CHAPTER I—ENVIRONMENTAL PROTECTION AGENCY

SUBCHAPTER C—AIR PROGRAMS

PART 52—APPROVAL AND PROMULGATION OF IMPLEMENTATION PLANS

New Jersey Transportation Control Plan; Corrections

In the April 3, 1974, issue of the FEDERAL REGISTER certain changes were made to compliance dates in 40 CFR 52.1597 as they relate to § 52.1596, a regulation for control of organic solvents in New Jersey. Because § 52.1596 is under active reexamination by the Environmental Protection Agency, an additional sixty days extension in the date for early steps in compliance is being granted by today's action.

In addition, the notice of April 3 invited public comment until April 10, 1974, on the extension of § 52.1599 to the Philadelphia area. That date should have been May 1, 1974.

Because this notice grants extensions to dates on which actions would otherwise be necessary, the Administrator finds that good cause exists for making these changes effective immediately upon publication.

(Secs. 110(c) and 301(a) of the Clean Air Act, 42 U.S.C. 1857c-5(c) and 1857g.)

Dated: April 3, 1974.

JOHN QUARLES,
Acting Administrator.

§ 52.1597 [Amended]

In 40 CFR Part 52, Subpart FF—New Jersey, § 52.1597 is amended by changing the date "April 15, 1974" to "June 15, 1974" in paragraphs (b)(1), (c)(1), and (c)(3), by changing the date "June 1, 1974" to "August 1, 1974" in paragraph (b)(2), and by changing the date "August 1, 1974" to "September 1, 1974" in paragraph (b)(3).

[FR Doc.74-8075 Filed 4-8-74;8:45 am]

SUBCHAPTER D—WATER PROGRAMS

PART 108—EMPLOYEE PROTECTION HEARINGS

Establishment of Procedures

On page 32268 of the FEDERAL REGISTER of November 23, 1973, there was published a notice of proposed rulemaking to add a new Part 108 40 CFR establishing procedures for employee protection hearings under section 507(e) of the Federal Water Pollution Control Act, as amended. All comments submitted with respect to the proposed rules were given due consideration.

As a result of comments received, the following changes are made:

1. It is likely that, in some cases, an employee may not wish to press the matter farther than the preliminary investigation of the Regional Administrator. Accordingly, the Regional Administrator is required to provide preliminary findings and conclusions to the complaining employee and the employer. Unless a subsequent request for a hearing is received, this will conclude the proceedings.

2. Under the proposed rules, a hearing would be mandatory unless the Regional Administrator determined "that there is no reasonable possibility that the alleged discrimination is related to an effluent limitation or order under the Act." However, since a hearing would be the most appropriate vehicle for determining factual matters, including the existence of discrimination and its relationship to effluent limitations or orders under the Act, the final rules provide for a hearing where requested by the employee or em-

ployer within fifteen days and where the Regional Administrator determines that there are relevant factual issues to be resolved.

Accordingly, with these modifications, the proposed regulations are adopted as set forth below, effective May 9, 1974.

Dated: April 2, 1974.

JOHN QUARLES,
Acting Administrator.

Part 108 of 40 CFR, as proposed (38 FR 32268, Friday, November 23, 1973, is amended as follows:

1. Section 108.3 is revised to read as follows:

§ 108.3 Request for investigation.

Any employee who is discharged or laid-off, threatened with discharge or lay-off, or otherwise discriminated against by any person because of the alleged results of any effluent limitation or order issued under the Act, or any representative of such employee, may submit a request for an investigation under this Part to the Regional Administrator of the region in which such discrimination is alleged to have occurred.

2. Section 108.4 is revised to read as follows:

§ 108.4 Investigation by Regional Administrator.

Upon receipt of any request meeting the requirements of § 108.3, the Regional Administrator shall conduct a full investigation of the matter, in order to determine whether the request may be related to an effluent limitation or order under the Act. Following the investigation, the Regional Administrator shall notify the employee requesting the investigation (or the employee's representative) and the employer of such employee, in writing, of his preliminary findings and conclusions. The employee, the representative of such employee, or the employer may within fifteen days following receipt of the preliminary findings and conclusions of the Regional Administrator request a hearing under this Part. Upon receipt of such a request, the Regional Administrator, with the concurrence of the Chief Administrative Law Judge, shall publish notice of a hearing to be held not less than 30 days following the date of such publication where he determines that there are factual issues concerning the existence of the alleged discrimination or its relationship to an effluent limitation or order under the Act. The notice shall specify a date before which any party (or representative of such party) may submit a request to appear.

[FR Doc.74-8022 Filed 4-8-74;8:45 am]

SUBCHAPTER E—PESTICIDE PROGRAMS

PART 180—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

BHC; Revocation

An order was published in the FEDERAL REGISTER of August 13, 1973 (38 FR 21783), in response to Pesticide Petition No. 3E1374, establishing an interim tolerance of 1 part per million for residues of the insecticide BHC (benzene hexachloride) in or on the raw agricultural commodity dried lima beans imported from the Malagasy Republic. This interim tolerance was to expire December 31, 1973. Subsequently, the expiration date was extended to March 31, 1974, by an order in the FEDERAL REGISTER of November 29, 1973 (38 FR 32909).

Therefore, pursuant to provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(e), (m), 68 Stat. 514; 517; 21 U.S.C. 346a(e),(m)), the authority transferred to the Administrator of the Environmental Protection Agency (35 FR 15623), and the authority delegated by the Administrator to the Deputy Assistant Administrator for Pesticide Programs (36 FR 9038), Part 180 is amended by revoking § 180.319a *BHC; interim tolerance for residues.*

Any person who will be adversely affected by the foregoing order may at any time on or before May 9, 1974 file with the Hearing Clerk, Environmental Protection Agency, Room 1019E, 4th & M Streets, SW., Waterside Mall, Washington, D.C. 20460, written objections thereto in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on March 31, 1974.

(Sec. 408(e),(m), 68 Stat. 514,517 (21 U.S.C. 346a(e),(m)))

Dated: April 3, 1974.

HENRY J. KORP,
Deputy Assistant Administrator, for Pesticide Programs.

[FR Doc.74-8023 Filed 4-8-74;8:45 am]

Title 45—Public Welfare

CHAPTER II—SOCIAL AND REHABILITATION SERVICE (ASSISTANCE PROGRAMS), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PART 249—SERVICES AND PAYMENT IN MEDICAL ASSISTANCE PROGRAMS

Reassignment of Claims—Medicaid Programs

Notice of proposed regulations was published in the FEDERAL REGISTER of June 27, 1973 (38 FR 16911) providing that, with certain exceptions, payments for services provided under a State medical assistance plan may be made only to the provider or recipient of the service and may not be made to an assignee.

Commenters requested that the regulations be revised to specify that Medicaid payments may be made to physician corporations and health maintenance organizations. The regulation states that payment may be made to the employer of a practitioner if he is required as a condition of his employment to turn over his fees to his employer. Thus, health maintenance organizations and physician corporations are included if they are in fact the employer of the practitioner, and no change is necessary. The regulation has been revised, however, to expressly include health maintenance organizations among organizations that operate organized health care delivery systems and to which claims can be reassigned if there is a contractual arrangement under which the organization bills for the practitioner's service. A suggestion was also made that the regulation specify that the Federal or State government may withhold payments to providers against whom there is a Federal or State claim. The regulation would not prohibit withholding otherwise authorized by law, and therefore no revision is considered necessary.

A new § 249.31 is added to part 249 to read as follows:

§ 249.31 Prohibition against reassignment of claims to benefits.

(a) *State plan requirements.*—A State plan for medical assistance under title XIX of the Social Security Act must provide that no payment under the plan for any care or service provided to an individual by a physician, dentist, or other individual practitioner shall be made to anyone other than such individual (who is eligible to receive such payments in accordance with § 249.32) or to such physician, dentist, or practitioner, except that direct payment may be made:

(1) To the employer of the physician, dentist, or other practitioner if the practitioner is required as a condition of his employment to turn over his fees to his employer; or

(2) Where the care or service was provided in a facility, to the facility in which the care or service was provided, if there is a contractual arrangement between the practitioner and the facility whereby the facility submits the claim for reimbursement; or

(3) To a foundation, plan, or similar organization, including a health maintenance organization, which furnishes health care through an organized health care delivery system if there is a contractual arrangement between the organization and the person furnishing the service under which the organization bills or receives payments for such person's services.

(b) *Meaning of terms.* For purposes of this section:

(1) "Facility" is a hospital or other institution which makes provision for furnishing health care services to inpatients.

(2) "Organized health care delivery system" is a public or private organization for delivering health services which may include, but is not limited to, a clinic

or a group practice prepaid capitation plan.

(Sec. 1102, 49 Stat. 647 (42 U.S.C. 1302))

(Catalog of Federal Domestic Assistance Program No. 13. 714, Medical Assistance Program)

Effective date: The regulations in this section shall be effective on June 24, 1974.

Dated: March 18, 1974.

JAMES S. DWIGHT, Jr.,
Administrator.

Approved: April 4, 1974.

CASPAR W. WEINBERGER,
Secretary of Health, Education, and Welfare.

[FR Doc.74-8110 Filed 4-8-74;8:45 am]

Title 47—Telecommunication

CHAPTER I—FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 19356; FCC 74-285]

PART 2—FREQUENCY ALLOCATIONS AND RADIO TREATY MATTERS; GENERAL RULES AND REGULATIONS

Equipment Authorization of RF Devices; Postponement of Effective Date

In the matter of Amendment of Part 0 and 2 of the rules relating to equipment authorization of RF devices.

1. The Commission has for consideration a request for delay of the effective date of the labelling requirements in the above referenced matter submitted by the Consumer Electronics Group of the Electronics Industries Association (CEG). It should be noted that the request by CEG was submitted as part of a petition for reconsideration of the amendment of our rules relating to equipment authorization of RF devices. The history of this proceeding is described in the Report and Order adopting the revised rules (FCC 74-113 released February 15, 1974, 39 FR 5912 (February 18, 1974)).

2. CEG requests a postponement of the March 25, 1974 effective date of § 2.1045 of the revised rules concerning the labelling of equipment. CEG asserts that the switch to the new labels will require expensive retooling and the lead time provided by the Commission is inadequate. Since a longer lead time is necessary, stay of the effective date will be granted for ninety days to include each of the revised rules on the labelling requirements, i.e., §§ 2.925, 2.969, 2.1003 and 2.1045 pending consideration of the petitions for reconsideration of the above entitled rule amendments.

3. *In view of the foregoing, it is ordered,* That the effective date of §§ 2.925, 2.969, 2.1003 and 2.1045 is stayed until June 25, 1974.

Adopted: March 27, 1974.

Released: April 3, 1974.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] VINCENT J. MULLINS,
Secretary.

[FR Doc.74-8097 Filed 4-8-74;8:45 am]

Title 49—Transportation

CHAPTER V—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Docket No. 73-9; Notice 4]

PART 570—VEHICLE IN USE INSPECTION STANDARDS

Response to Petitions for Reconsideration

This notice responds to petitions for reconsideration of Vehicle In Use Inspection Standards and amends the standards in certain minor respects.

The Vehicle In Use Inspection Standards, 49 CFR Part 570, were published on September 5, 1973 (38 FR 23919). Thereafter, pursuant to 49 CFR 553.35, petitions for reconsideration of the rule were received from Motor Vehicle Manufacturers Association (MVMA), Rubber Manufacturers Association (RMA), Firestone Tire and Rubber Company (Firestone), General Motors Corporation (GM), and Ford Motor Company (Ford). This notice discusses the major issues raised by these petitions and their resolution.

Ford called NHTSA's attention to an oversight in the inspection procedure for brake pedal reserve in § 570.5. Notice 1 proposed a force of 25 pounds for power-assisted brake systems and 50 pounds for all other brake systems. These forces were inadvertently omitted in Notice 2, and, accordingly, § 570.5 is amended to include them.

GM and the MVMA requested that the period during which a 125-pound force is applied to the brake pedal be reduced from 30 seconds to 10 seconds. Since the purpose of the standard is to check for brake fluid leakage, and this can be determined during a 10-second period, the petition is granted.

Ford requested that § 570.5(e) "Service Brake System—Brake Hoses and Assemblies" be amended to allow "rub rings," installed as hose protection devices, to come in contact with a vehicle body or chassis. The purpose of these devices as stated by Ford is to prevent damage to hose or tubing and thus promote motor vehicle safety. NHTSA, after investigation, has determined that rub rings or similar protective devices do provide brake hose and tube protection, and § 570.5(e) is amended accordingly. However, should the rub rings wear or abrade to the extent that the hoses or tubing contact the chassis or vehicle body, the vehicle should be rejected.

GM requested that the procedure for inspecting steering wheel lash in § 570.7(a) be revised so as to yield more consistent results between examiners and inspection stations. It was GM's contention that the term "perceptible movement" was too subjective, and that the many intangible factors involved in the inspection procedure would not provide an objective and repeatable test. The procedure recommended by GM would involve applying a specified force in one direction to remove lash and provide a small amount of torsional wind up, releasing the wheel, and applying another force in the same direction to establish a reference point. The process would be repeated in the opposite direction to establish a second reference point. The distance between the two points would then be measured.

Although the inspection procedure proposed by GM may provide a more objective test of steering system play, it is the belief of NHTSA that additional time will be required to evaluate their proposal under field test conditions with various steering wheel diameters. Therefore, action on this request will be held in abeyance pending completion of such a study.

Ford and GM requested a change in the toe-in alignment specifications listed in § 570.7(d), stating that several vehicles currently in service would exceed the 30 ft/mi toe-in limits established in the standard. For example, 1974 Ford Service Specifications—Tire Scrub (based on a 29-in diameter tire/wheel assembly) shows a maximum toe-in for certain Ford vehicles of 82.5 ft/mi based on 11.78 ft/mi tire scrub for each $\frac{1}{16}$-in toe-in. In its submission to Docket No. 73-9, Ford recommended that the toe-in requirement be no more stringent than 1.5 times the manufacturer's maximum toe-in specification. In consideration of the wide variance between manufacturers' toe-in specification, the limits of ± 30 ft/mi currently used in some State inspections appear to be reasonable for some vehicles and unduly restrictive for others. Section 570.7(d), therefore, is amended to make the requirement more equitable.

The NHTSA, however, believes that wheel alignment designs with high toe-in values are not in the best interests of the consumer, as both tire wear and fuel economy are affected adversely with high toe-in/toe-out conditions. For this reason, industry action to alleviate this problem will be carefully observed.

RMA and Firestone petitioned for a clarification of the language of § 570.9(b) concerning tire type. It was suggested that "tire size designation" would be more explicit than tire "nominal size." NHTSA believes the suggested phrase more clearly defines the intent of the standard, and the petition is granted.

The petitioners additionally contend that the language in § 570.9(b)(i), notably "major mismatch" and "major deviation," could lead the inspector to reject tires that do not have exactly the tire size designation(s) specified by the vehicle manufacturer. NHTSA disagrees with this interpretation of the inspection procedure. The language allows the inspector to pass any vehicle equipped with tires that meet the published vehicle-manufacturer or RMA criteria for tire replacement. Tires with special characteristics such as extra wide sport type tires, "slicks", and extra low profile tires would not meet the criteria for replacement tires. The petition is, therefore, denied.

Both RMA and Firestone requested a change in the language of § 570.9(d)(i) which specified the use of an awl to probe cuts on tires as a method for evaluating the extent of tire damage. Firestone strongly recommended the use of a "blunt instrument" rather than an awl to prevent further damage to the tire. The NHTSA feels that this is a constructive request, and the petition is granted.

RMA and GM requested a change in § 570.10(b) regarding the limits and the procedure for checking lateral and radial runout of wheel assemblies. GM contented, based on a survey of 500 vehicles of its employees, that the $\frac{3}{32}$ in runout specification is too restrictive and that owners of vehicle with runouts of 0.050 to 0.225 in did not experience loss of air pressure or any detectable vibration. GM recommended a runout specification of at least $\frac{1}{8}$ in. After reviewing the GM data, NHTSA has determined that the request is reasonable and, therefore, the petition is granted. Accordingly § 570.10(b) is amended to reflect the $\frac{1}{8}$-in radial and lateral runout limits.

Finally there were several requests to include provisions for non-matching spare or emergency tires, prohibition of radial-ply tire mix with any other tire type on the same vehicle, and recommendations for inclusion of minimum criteria for accuracy of test devices. Since these topics were not included in prior rulemaking notices, these recommendations will be considered for future action.

In consideration of the foregoing, 49 CFR Part 570, Vehicle In Use Inspection Standards, is amended as follows:

1. Section 570.5 is revised to read:

§ 570.5 Service brake system.

Unless otherwise noted, the force to be applied during inspection procedures to power-assisted and full-power brake systems is 25 lb, and to all other systems, 50 lb.

* * * * *

(e) *Brake hoses and assemblies.* Brake hoses shall not be mounted so as to contact the vehicle body or chassis. Hoses shall not be cracked, chafed, or flattened. Protective devices, such as "rub rings," shall not be considered part of the hose or tubing.

2. Section 570.7(d) is revised to read:

§ 570.7 Steering systems.

* * * * *

(d) *Alignment.* Toe-in and toe-out measurements shall not be greater than 1.5 times the value listed in the vehicle manufacturer's service specification for alignment setting.

(i) *Inspection procedure.* Verify that toe-in or toe-out is not greater than 1.5 times the values listed in the vehicle manufacturer's service specification for alignment settings as measured by a bar-type scuff gauge or other toe-in measuring device. Values to convert toe-in readings in inches to scuff gauge readings in ft/mi side-slip for different wheel sizes are provided in Table I. Tire diameters used in computing scuff gauge readings are based on the average maximum tire dimensions of grown tires in service for typical wheel and tire assemblies.

TABLE I.—*Toe-in settings from vehicle MFR's service specifications*

Wheel size (inches)	Nominal tire diameter (inches)	Readings in feet per mile sideslip								
		$\frac{1}{16}$ in	$\frac{1}{8}$ in	$\frac{3}{16}$ in	$\frac{1}{4}$ in	$\frac{5}{16}$ in	$\frac{3}{8}$ in	$\frac{7}{16}$ in	$\frac{1}{2}$ in	$\frac{9}{16}$ in
13	25.2	13.1	26.2	39.3	52.4	65.5	78.6	91.7	104.8	117.9
14	26.4	12.5	25.0	37.5	50.0	62.5	75.0	87.5	100.0	112.5
15	28.5	11.5	23.0	34.5	46.0	57.5	69.0	80.5	92.0	103.5
16	35.6	9.3	18.6	27.9	37.2	46.5	55.8	65.1	74.4	83.7

3. Section 570.9(b) and (d)(i) are revised to read as follows:

§ 570.9 Tires.

* * * * *

(b) *Type.* Vehicle shall be equipped with tires on the same axle that are matched in tire size designation, construction, and profile.

* * * * *

(d) * * * (i) *Inspection procedures.* Examine visually for conditions indicated, using a blunt instrument if necessary to probe cuts or abrasions.

5. Section 570.10(b) is revised to read:

§ 570.10 Wheel assemblies.

* * * * *

(b) *Deformation.* The lateral and radial runout of each rim bead area shall not exceed one-eighth of an inch of total indicated runout.

(i) *Inspection procedure.* Using a runout indicator gauge, and a suitable stand, measure lateral and radial runout of rim bead through one full wheel revolution and note runout in excess of one-eighth of an inch.

Effective date: May 9, 1974.

(Sec. 103, 108, 119, Pub. L. 89-563, 80 Stat. 718 (15 U.S.C. 1392, 1397, 1401); delegation of authority at 49 CFR 1.51.)

Issued on April 3, 1974.

JAMES B. GREGORY,
Administrator.

[FR Doc.74-7966 Filed 4-8-74;8:45 am]

Proposed Rules

This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rulemaking prior to the adoption of the final rules.

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Parts 20, 25]

ESTATE AND GIFT TAXES

Valuation of Shares in an Open-End Investment Company

Notice is hereby given that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing (preferably six copies) to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, by May 10, 1974. Written comments or suggestions which are not exempt from disclosure by the Internal Revenue Service may be inspected by any person upon compliance with 26 CFR 601.702 (d) (9). The provisions of 26 CFR 601.601 (b) shall apply with respect to the designation of portions of comments or suggestions as exempt from disclosure. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commission by May 10, 1974.

In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER, unless the person or persons who have requested a hearing withdraw their requests for a hearing before notice of the hearing has been filed with the Office of the Federal Register. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] DONALD C. ALEXANDER,
Commissioner of Internal Revenue.

This document contains proposed amendments to the Estate Tax Regulations (26 CFR Part 20) under section 2031 of the Internal Revenue Code of 1954 and to the Gift Tax Regulations (26 CFR Part 25) under section 2512 of such Code in order to conform such regulations to the decision of the Supreme Court in United States v. Cartwright, 411 U.S. 546 (1973).

The proposed amendments provide for the valuation of shares of an open-end investment company at the "bid" or public redemption price of such shares, rather than at the "asked" or public offering price, for purposes of the estate and gift taxes.

The revised valuation rules would generally apply to estates of decedents dying after August 16, 1954, and to gifts made after December 31, 1954.

With respect to a beneficiary's or donee's basis in such shares which is determined by reference to the valuation used for estate and gift tax purposes, the Internal Revenue Service is publishing guidelines under which a determination of basis, which is consistent with the regulations heretofore issued, will not be disturbed. Such guidelines are contained in Revenue Procedure 74-3 which will be published in Internal Revenue Bulletin No. 1974-19, dated May 13, 1974.

Proposed amendments to the regulations. In order to revise the rules relating to the determination of fair market value of a share in an open-end investment company, the Estate Tax Regulations (26 CFR Part 20) under section 2031 of the Internal Revenue Code of 1954 and the Gift Tax Regulations (26 CFR Part 25) under section 2512 of such Code are amended as follows:

PARAGRAPH 1. Paragraph (b) of § 20.2031-8 is amended to read as follows:

§ 20.2031-8 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.

* * * * *

(b) *Valuation of shares in an open-end investment company.* (1) The fair market value of a share in an open-end investment company (commonly known as a "mutual fund") is the public redemption price of a share. In the absence of an affirmative showing of the public redemption price in effect at the time of death, the last public redemption price quoted by the company for the date of death shall be presumed to be the applicable public redemption price. If the alternate valuation method under 2032 is elected, the last public redemption price quoted by the company for the alternate valuation date shall be the applicable redemption price. If there is no public redemption price quoted by the company for the applicable valuation date (e.g., the valuation date is a Saturday, Sunday, or holiday), the fair market value of the mutual fund share is the last public redemption price quoted by the company for the first day preceding the applicable valuation date for which there is a quotation. In any case where a dividend is declared on a share in an open-end investment company before the decedent's death but payable to shareholders of record on a date after his death and the share is quoted "ex-dividend" on the date of the decedent's death, the amount of the dividend is added to the ex-dividend quotation in determining the fair market value of the share as of the date of the decedent's death. As used in this paragraph, the term "open-end investment company" includes only a company which on the applicable valuation date was engaged in offering its shares to the public in the capacity of an open-end investment company.

(2) The provisions of this paragraph shall apply with respect to estates of decedents dying after August 16, 1954.

PAR. 2. Paragraph (b) of § 25.2512-6 is amended to read as follows:

§ 25.2512-6 Valuation of certain life insurance and annuity contracts; valuation of shares in an open-end investment company.

* * * * *

(b) *Valuation of shares in an open-end investment company.* (1) The fair market value of a share in an open-end investment company (commonly known as a "mutual fund") is the public redemption price of a share. In the absence of an affirmative showing of the public redemption price in effect at the time of the gift, the last public redemption price quoted by the company for the date of the gift shall be presumed to be the applicable public redemption price. If there is no public redemption price quoted by the company for the date of the gift (e.g., the date of the gift is a Saturday, Sunday, or holiday), the fair market value of the mutual fund share is the last public redemption price quoted by the company for the first day preceding the date of the gift for which there is a quotation. As used in this paragraph the term "open-end investment company" includes only a company which on the date of the gift was engaged in offering its shares to the public in the capacity of an open-end investment company.

(2) The provisions of this paragraph shall apply with respect to gifts made after December 31, 1954.

[FR Doc.74-8011 Filed 4-8-74;8:45 am]