

[Docket No. FI365]

PART 1914—AREAS ELIGIBLE FOR THE SALE OF INSURANCE

Status of Participating Communities

Section 1914.4 of Part 1914 of Subchapter B of Chapter X of Title 24 of the Code of Federal Regulations is amended by adding in alphabetical sequence a new entry to the table. In this entry, a complete chronology of effective dates appears for each listed community. Each date appearing in the fourth column of the table is followed by a designation which indicates whether the date signifies the effective date of the authorization of the sale of flood insurance in the area under the emergency or the regular flood insurance program. The entry reads as follows:

§ 1914.4 Status of participating communities.

State	County	Location	Effective date of authorization of sale of flood insurance for area	Hazard area identified	State map repository	Local map repository
California	Marin	Ross, town of	Sept. 18, 1974, emergency	Mar. 29, 1974		
Illinois	Cook	Northfield, village of	do.	do.		
Kansas	Marion	Peabody, city of	do.	June 19, 1974		
Minnesota	Wabasha	Hammond, city of	do.	Aug. 2, 1974		
Mississippi	Forrest and Lamar	Hattiesburg, city of	April 3, 1970, reg.; January 15, 1973, susp.; September 12, 1974, rein.	April 3, 1970		
Nebraska	Scotts Bluff	Gering, city of	Sept. 18, 1974, emergency			
New Jersey	Hunterdon	Califon, borough of	do.	Sept. 13, 1974		
New York	Oneida	Deerfield, town of	do.	Aug. 2, 1974		
Oregon	Jackson	Central Point, city of	do.	June 21, 1974		
Pennsylvania	Montgomery	Norristown, borough of	July 9, 1971, emerg.; December 22, 1972, reg.; October 30, 1974, susp.	Dec. 22, 1972		
Wisconsin	Ozaukee	Cedarburg, city of	Sept. 18, 1974, emergency	Dec. 28, 1973		

(National Flood Insurance Act of 1968 (title XIII of the Housing and Urban Development Act of 1968), effective Jan. 28, 1969 (33 FR 17804, Nov. 28, 1968), as amended (secs. 408-410, Public Law 91-152, Dec. 24, 1969), 42 U.S.C. 4001-4127; and Secretary's delegation of authority to Federal Insurance Administrator, 34 FR 2680, Feb. 27, 1969)

Issued: September 11, 1974.

GEORGE K. BERNSTEIN,
Federal Insurance Administrator.

[FR Doc.74-21860 Filed 9-20-74;8:45 am]

Title 32A—National Defense, Appendix
CHAPTER I—OFFICE OF PREPAREDNESS,
GENERAL SERVICES ADMINISTRATION
Revocation of Miscellaneous Orders and
Regulations and Retitling of Chapter

Reorganization Plan No. 1 of 1973 abolished the Office of Emergency Preparedness and transferred to the President all functions vested by law in the Office of Emergency Preparedness or the Director of the Office of Emergency Preparedness after the effective date of Reorganization Plan No. 1 of 1958. Executive Order 11725 of June 27, 1973 (38 FR 17175), transferred to the Administrator of General Services all authority vested in the Director of the Office of Emergency Preparedness as of June 30, 1973, by Executive order, proclamation, or other directive issued by or on behalf of the President or otherwise, other than certain authority relating to disaster relief and the authority to conduct import investigations under section 232 of the Trade Expansion Act of 1962. The Administrator has established the Office of Preparedness within the General Services Administration to perform these functions. To reflect these changes, Chapter I of Title 32A is being retitled.

By authority of Executive Orders 10480 and 11725, certificates of necessity and payment certificates may be issued pursuant to subsections (e) and (g), respectively, of section 168 of the Internal Revenue Code of 1954. The authority to issue certificates of necessity under subsection (e) was terminated as of December 31, 1959, by section 4(c) of Pub. L. 85-165 (71 Stat. 414). Since the tax

amortization allowed on the basis of certificates of necessity was for a period of 5 years, the orders and regulations listed under 2b, 2c, and 2e below are no longer needed and therefore they are being revoked. The orders and regulations listed below under 2a and 2f are being revoked because they are no longer needed to carry out the provisions of the above-cited Executive orders relative to issuance of payment certificates under subsection (g).

GAO I-2 and ODM Reg. 3, listed below under 2d and 2g, are being revoked because they are no longer needed to carry out the provisions of section 2 of Executive Order 10494 (18 FR 6585, October 14, 1953) which provides for the orderly conclusion of administrative proceedings under Title IV of the Defense Production Act of 1950, as amended. Title IV was terminated as of April 30, 1953, by section 121(b) of the Defense Production Act Amendments of 1952 (66 Stat. 306).

Industry representatives were not consulted in the formulation of this issuance because the special circumstances pertaining to the issuance have rendered such consultation impracticable.

1. Chapter I of Title 32A is retitled to read as set forth above.

2. The following orders and regulations are revoked:

(a) Defense Mobilization Order I-11, Delegation of Authority to Issue Payment Certificates under section 168(g) of the Internal Revenue Code of 1954 (19 FR 6067, September 21, 1954).

(b) Defense Mobilization Order III-1, Policy Directive Governing Issuance of Tax Amortization Certificates under sec-

tion 124A of the Internal Revenue Code, and Defining the Extent to Which Accelerated Amortization can be Allowed as a Cost in Negotiated Contract Pricing (16 FR 8098, August 15, 1951, as amended by Amendment 1, 17 FR 6657, July 19, 1952, and Amendment 2, 19 FR 2898, May 19, 1954, redesignated at 18 FR 6737, October 23, 1953).

(c) Defense Mobilization Order III-1, Supp. 1, Policy for the Establishment of Expansion Goals for Tax Amortization (20 FR 7369, October 4, 1955).

(d) GAO I-2, Administrative Proceedings under Title IV of the Defense Production Act of 1950, as amended (18 FR 6966, November 4, 1953).

(e) ODCM Reg. 1B, Issuance of Necessity Certificates under section 168 of the Internal Revenue Code of 1954 (24 FR 2491, March 31, 1959).

(f) ODM Reg. 2, Providing for the Issuance of Payment Certificates under section 124A(G) of the Internal Revenue Code (19 FR 5814, September 9, 1954).

(g) ODM Reg. 3, Preservation of Wage and Salary Records under Defense Production Act (21 FR 2940, May 3, 1956). (Executive Order No. 10480 of August 14, 1953, as amended; and Executive Order No. 11725 of June 27, 1973)

Effective date. This regulation is effective September 23, 1974.

Dated: September 13, 1974.

DWIGHT A. INK,
Acting Administrator of
General Services.

[FR Doc.74-21940 Filed 9-20-74;8:45 am]

Title 33—Navigation and Navigable Waters

CHAPTER I—COAST GUARD, DEPARTMENT OF TRANSPORTATION

SUBCHAPTER C—AIDS TO NAVIGATION

[CGD 74-130]

PART 74—CHARGES FOR COAST GUARD AIDS TO NAVIGATION WORK

Buoy and Vessel Use Costs

The purpose of these amendments to the aids to navigation regulations is to update the table contained in 33 CFR Subpart 74.20 so that it reflects current costs for the establishment, maintenance, repair, replacement, or removal of an aid to navigation.

14 U.S.C. 86, as delegated to the Coast Guard in 49 CFR 1.46(b), provides that the Coast Guard may mark for the protection of navigation any sunken vessel or other similar obstruction existing on any navigable waters of the United States, in such manner and for so long as in its judgment, the needs of maritime navigation require. This law makes the owner of the obstruction liable to the United States for the cost of such marking until the obstruction is removed, or its abandonment is legally established, or until an earlier time as the Coast Guard may establish.

14 U.S.C. 642 requires that the Coast Guard be reimbursed for the damage or destruction of an aid to navigation or other property belonging to the Coast Guard. This law requires that the reimbursement include the cost of repair or replacement of the damaged or destroyed property.

In the July 11, 1959 issue of the FEDERAL REGISTER (24 FR 5608), the Coast Guard promulgated a table containing the costs for the preparation of an aid to navigation, the servicing of an aid on a monthly basis, and the use of a vessel in placing or retrieving the aid. This table was updated in the February 4, 1965 issue of the FEDERAL REGISTER (30 FR 1193). Since that time, the table has not been changed to reflect current costs.

The amendments in this document reflect current Coast Guard costs. Two tables are included. Table 1 contains the buoy costs which include costs for preparing the buoy, servicing an aid (based on monthly use), and accessories. The accessories are added to the buoy if they are needed.

Table 2 contains the vessel use cost. It includes costs for personnel, fuel, and maintenance, on an hourly basis.

Since the amendments in this document relate to general statements of policy, they are exempted from notice of proposed rule making, and they may be made effective in less than 30 days.

In consideration of the foregoing, Subpart 74.20 of Title 33, Code of Federal Regulations is revised to read as follows:

Subpart 74.20—Aids to Navigation Costs

§ 74.20 Buoy and vessel use costs.

The cost to establish, maintain, repair, replace, or remove an aid to navigation in accordance with the requirements of this part include the buoy costs contained in Table 1 and the vessel use costs contained in Table 2, as appropriate.

TABLE 1—BUOY COSTS

[In dollars]

Buoy type	Preparation ¹	Servicing ²	Accessory ³		
			Bell	Gong	Whistle
9 ft., lighted.....	651	84	12	13	7
9 ft., unlighted.....	391	32	7	7	NA
8 ft.....	520	58	6	7	10
7 ft.....	435	40	NA	NA	NA
6 ft.....	406	46	5	NA	NA
5 ft.....	228	30	NA	NA	NA
3 1/2 ft.....	121	27	NA	NA	NA
Can or nun, 1st class.....	265	25	NA	NA	NA
Can or nun, 2nd class.....	156	13	NA	NA	NA
Can or nun, 3rd class.....	92	11	NA	NA	NA
Can or nun, 4th class.....	82	16	NA	NA	NA
Can or nun, 5th class.....	29	7	NA	NA	NA
Can or nun, 6th class.....	26	7	NA	NA	NA

¹ Includes preparing, adapting, and placing a replacement aid, and preparing, adapting, placing, retrieving, and overhauling after retrieving a temporary aid, but does not include vessel use costs (see table 2 of this subpart).

² Based on monthly use. A month is 16 or more days use.

³ Added costs if assembled on the buoy.

NOTE.—NA indicates not applicable.

TABLE 2.—VESSEL USE COSTS PER HOUR (IN DOLLARS)

Vessel class	Personnel	Fuel	Maintenance	Total
	(a)	(b)	(c)	(a)+(b)+(c)
Seagoing buoy tender (WLB).....	168	10	77	255
Coastal buoy tender (WLM).....	99	8	55	162
Inland buoy tender (WLI).....	39	4	39	82
River buoy tender (WLR).....	42	4	13	59
Inland, construction buoy tender (WLIC).....	30	4	28	62
36 ft., 44 ft., or 52 ft. motor lifeboat (MLB).....	11	1	27	39
40 ft., 45 ft., or 46 ft. buoy boat (BU).....	10	1	15	26
40 ft. large utility boat (UTB).....	10	2	22	34

(14 U.S.C. 633; Sec. 6(b) (1), 80 Stat. 937 (49 U.S.C. 1655(b) (1)); 49 CFR 1.46(b))

Effective date. These amendments are effective on September 20, 1974.

Dated: September 13, 1974.

E. L. PERRY,
Vice Admiral, U.S. Coast Guard,
Acting Commandant.

[FR Doc. 74-21875 Filed 9-20-74; 8:45 am]

Title 38—Pensions, Bonuses, and Veterans' Relief

CHAPTER I—VETERANS ADMINISTRATION

PART 21—VOCATIONAL REHABILITATION AND EDUCATION

Subpart D—Administration of Educational Benefits; 38 U.S.C. Chapters 34, 35 and 36

CERTIFICATION AS TO EDUCATIONAL NEEDS

On page 26174 of the FEDERAL REGISTER of July 17, 1974, there was published a notice of proposed regulatory development to issue changes in §§ 21.4235(e) and 21.4237(e), (f) and (g) to provide that Veterans Administration counselors may certify as to the educational needs for veterans and eligible spouses for training under the special assistance programs for the educationally disadvantaged. In addition minor editorial changes have been made to §§ 21.4234, 21.4235 and 21.4237 to reflect agency policy of using precise terms denoting gender. Interested persons were given 30 days in which to submit comments, suggestions, or objections regarding the proposed regulations.

No written comments have been received. The proposed regulations are adopted subject to the following: In § 21.4235(a) (1), line 3, the reference

"§ 3.1040(e) (3)" is corrected to read "§ 21.1040(e) (3)."

Effective date. Sections 21.4235(e) and 21.4237(e), (f), and (g) are effective September 17, 1974.

Approved: September 17, 1974.

[SEAL] R. L. ROUBUSH,
Acting Administrator.

1. In § 21.4234, paragraphs (d) and (e) (3) are revised to read as follows:

§ 21.4234 Change of program.

Chapter 35: wife, husband, widow, widower. The eligible wife, husband, widow, or widower may make one optional change of program if the previous course was not interrupted or discontinued due to her or his own misconduct, neglect or lack of application. A second change or an initial change after interruption or discontinuance due to her or his own misconduct, neglect or lack of application may be approved if it is found that:

(1) The program of education which the eligible wife, husband, widow or widower proposes to pursue is suitable to her or his aptitudes, interests, and abilities; and

(2) In any instance where the eligible wife, husband, widow, or widower has interrupted, or failed to progress in, her

or his program due to her or his own misconduct, neglect or lack of application, there exists a reasonable likelihood with respect to the program which she or he proposes to pursue that there will not be a recurrence of such an interruption or failure to progress.

(e) *Adjustments; transfers.* A change in courses or places of training will not be considered a change of objective in the following instances:

(3) Revision of a program which does not involve a change of objective or material loss of credit nor loss of time originally planned for completion of the veteran's or eligible person's program. For example, an eligible person enrolled for a bachelor of science degree may show a professional objective such as chemist, teacher or engineer. His or her objective for purposes of this paragraph shall be considered to be "bachelor degree" and any change of courses will be considered only an adjustment in the program, not a change, so long as the subjects he or she pursues lead to the bachelor degree and there is no extension of time in the attaining of that degree.

2. § 21.4235, paragraphs (a) (1) and (3), (e) and (f) are revised to read as follows:

§ 21.4235 **Predischarge Education Program (PREP) and Special Assistance for Educationally Disadvantaged Veterans; chapter 34.**

(a) *Enrollment.* Enrollment of a veteran may be approved in any elementary, secondary, preparatory, refresher, remedial, deficiency, or special educational assistance course not otherwise prohibited, regardless of his or her previous educational experience;

(1) While he or she is on active duty and meets the eligibility requirements of § 21.1040(e) (3), if such course or courses (but not including correspondence courses) are required to receive a secondary school diploma, or if such course or courses (including individual unit subjects within a General Education Development (G.E.D.) examination program) are required for or preparatory to the pursuit of an appropriate course or training program in an approved educational institution or training establishment; or

(3) After discharge or release from active duty, if such course or courses are necessary to the pursuit of a program of education for which he or she would be eligible but for that lack.

(e) *Certifications.* Certifications as to the serviceman's or servicewoman's need for deficiency and/or remedial courses in basic English language skills and mathematic skills under paragraph (a) (1) of this section may be made by either the service education officer, by a Veterans Administration counselor, or by the educational institution administering the course or to which the student has made application for admission. Certifications as to the veteran's need for deficiency and/or remedial courses

in basic English language skills under paragraph (a) (2) and (3) of this section may be made by a Veterans Administration counselor or by the educational institution administering the course or to which the student has made application for admission. Certifications as to need for other refresher, remedial and/or deficiency course requirements under paragraph (a) (1), (2) and (3) of this section are to be made by the educational institution administering the course which the student is preparing to enter, or to which the student has made application for admission.

(f) *Basic skills.* Basic English language courses or mathematic courses will be authorized when it is found by accepted testing methods that the serviceman, servicewoman, or veteran is lacking in basic reading, writing, speaking or essential mathematics.

3. In § 21.4237, the headnote, the introductory portion of paragraph (a) preceding subparagraph (1), and paragraph (d) are revised and paragraphs (e), (f), and (g) are added so that the amended and added material reads as follows:

§ 21.4237 **Special Assistance for the Educationally Disadvantaged; chapter 35 wife, husband, widow, or widower.**

(a) *Enrollment.* Enrollment of an eligible wife, husband, widow, or widower may be approved in an appropriate course or courses at the secondary school level in a State if the wife, husband, widow, or widower:

(d) *Entitlement charge.* No charge will be made against the period of the entitlement of the wife, husband, widow, or widower because of enrollment in courses under the provisions of this section. (38 U.S.C. 1733)

(e) *Certifications.* Certifications as to the need of the eligible spouse for deficiency and/or remedial courses in basic English language skills and mathematic skills under paragraph (a) of this section may be made by either the Veterans Administration counselor or by the educational institution administering the course, or to which the student has made application for admission. Certification as to the need for other refresher, remedial and/or deficiency course requirements under paragraph (a) of this section are to be made by the educational institution administering the course which the student is preparing to enter, or to which the student has made application for admission.

(f) *Basic skills.* Basic English language courses or mathematic courses will be authorized when it is found by accepted testing methods that the eligible spouse is lacking in basic reading, writing, speaking or essential mathematics.

(g) *Deficiency course.* A deficiency course is any secondary level course or subject not previously completed satisfactorily which is specifically required for pursuit of a post-secondary program of education.

Approved: July 10, 1974.

By direction of the Administrator.

[SEAL]

R. L. ROUDEBUSH,
Deputy Administrator.

[FR Doc. 74-21985 Filed 9-20-74; 8:45 am]

Title 45—Public Welfare

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

PART 233—COVERAGE AND CONDITIONS OF ELIGIBILITY IN FINANCIAL ASSISTANCE PROGRAMS

Incapacity in AFDC

Notice of proposed regulations for the programs administered under Title IV-A of the Social Security Act was published in the *FEDERAL REGISTER* on February 1, 1974 (39 FR 4115). The proposal would establish a uniform Federal definition of incapacity of a parent.

Three no comment responses from ACIR and 17 letters from 14 State and local welfare agencies and 3 organizations were received. Welfare agencies objected to or criticized:

1. The requirement that there be a causal relationship between the parent's incapacity and the child's deprivation of support or care. The law says "deprived * * * by reason of * * *", thus clearly establishing that there must be a causal relationship. The regulation previously provided that no affirmative showing of a causal relationship is required. The deletion of this language is in no way intended to change existing State procedures, regarding the burden of establishing eligibility, either upon initial determination or at a hearing.

2. The requirement that the incapacity "be expected to last at least 30 days." (The majority recommended elimination; the minority suggested increase to 60 or 90 days.) The 30 days is not intended to be a "waiting period." Expected duration is pertinent to "causal relationship" and to "substantially." A condition lasting only a few days would not usually result in substantial deprivation.

3. The definition, which they consider restrictive, or punitive, or unclear. In a regulation of this nature, some judgment is necessary. The vagueness of the current regulations resulted in a wide variation of State interpretations. Since "substantially" carries a generally accepted legal connotation, the past extremes of interpretation should be minimized. The department recognizes that where a subjective determination is necessary, some variation must be accepted.

The principal recommendations of the respondents were:

1. Modify the requirement for "competent medical testimony" so that States can make use of other professionals (such as psychologists and optometrists) who are qualified to give testimony on certain conditions. An appropriate change has been made. (§ 233.90(c) (1) (iv))

2. Modify the regulation so that States may accept evidence of eligibility for

OASDI disability or SSI incapacity benefits as proof of incapacity for AFDC purposes. The regulation incorporates this suggestion (§ 233.90(c)(1)(iv)).

3. Permit States to continue AFDC until an incapacitated parent receiving vocational rehabilitation services is fully rehabilitated. 45 CFR 233.10(a)(4) provides for Federal sharing in AFDC payments continued for a reasonable period, while the effects of the parent's incapacity are being overcome.

4. Eliminate section 233.90(b)(6). This section is necessary to establish a uniform Federal definition, since the definition itself is contained in the paragraph on Federal financial participation.

5. Strengthen the regulation by requiring that the incapacitated parent be required to accept medical treatment likely to enable him or her to work or to care for the children. This would be consistent with current AFDC requirement for registration in the work incentive program and the SSI requirement for acceptance of vocational rehabilitation services by incapacitated beneficiaries. The State may administratively impose such a requirement.

The proposed regulations, with the changes indicated above, are hereby adopted.

Section 233.90, Part 233, Chapter II, Title 45 of the Code of Federal Regulations is amended by adding a new subdivision (6) to paragraph (b) and revising paragraphs (c)(1)(i) and (iv). As amended, § 233.90(b) and (c) read as set forth below:

§ 233.90 Factors specific to AFDC.

(b) *Conditions for plan approval.* (1) A child may not be denied AFDC either initially or subsequently "because of the conditions of the home in which the child resides", or because the home is considered "unsuitable", unless "provision is otherwise made pursuant to a State statute for adequate care and assistance with respect to such child". (Section 404(b) of the Social Security Act.)

(2) An otherwise eligible child who is under the age of 18 years may not be denied AFDC, regardless of whether he attends school or makes satisfactory grades.

(3) If a State elects to include in its AFDC program children 18 and over, it must include all children 18 years of age and under 21 who are students regularly attending a school, college, or university, or a course of vocational or technical training designed to fit them for gainful employment.

(4) A child may not be denied AFDC either initially or subsequently because a parent or caretaker relative fails to assist:

(i) In the establishment of paternity of a child born out of wedlock; or

(ii) In seeking support from a person having a legal duty to support the child; But neither this nor any other provision of these regulations should be construed to require that provision be made by a

State in its AFDC program for the maintenance of a parent or caretaker who fails to provide such assistance and AFDC may be denied with respect to such parent or caretaker.

(5) [Reserved]

(6) An otherwise eligible child may not be denied AFDC if a parent is mentally or physically incapacitated as defined in paragraph (c)(1)(iv) of this section.

(c) *Federal financial participation.*

(1) Federal financial participation under title IV-A of the Social Security Act in payments with respect to a "dependent child", as defined in section 406(a) of the Act, is available within the following interpretations:

(i) *Needy child deprived by reason of.* The phrase "needy child * * * deprived * * * by reason of" requires that both need and deprivation of parental support or care exist in the individual case. The phrase encompasses the situation of any child who is in need and otherwise eligible, and whose parent—father or mother—either has died, has a physical or mental incapacity, or is continually absent from the home. This interpretation is equally applicable whether the parent was the chief bread winner or devoted himself or herself primarily to the care of the child, and whether or not the parents were married to each other. The determination whether a child has been deprived of parental support or care is made in relation to the child's natural parent or, as appropriate, the adoptive parent or stepparent described in paragraph (a) of this section.

(ii) *Death of a parent.* If either parent of a child is deceased, the child is deprived of parental support or care, and may, if he is in need and otherwise eligible, be included within the scope of the program.

(iii) *Continued absence of the parent from the home.* Continued absence of the parent from the home constitutes the reason for deprivation of parental support or care when the parent is out of the home, the nature of the absence is such as either to interrupt or to terminate the parent's functioning as a provider of maintenance, physical care, or guidance for the child, and the known or indefinite duration of the absence precludes counting on the parent's performance of his function in planning for the present support or care of the child. If these conditions exist, the parent may be absent for any reason, and he may have left only recently or some time previously.

(iv) *"Physical or mental incapacity."* "Physical or mental incapacity" of a parent shall be deemed to exist when one parent has a physical or mental defect, illness, or impairment. The incapacity shall be supported by competent medical testimony and must be of such a debilitating nature as to reduce substantially or eliminate the parent's ability to support or care for the otherwise eligible child and be expected to last for a period of at least 30 days. In making the determination of ability to support, the

agency shall take into account the limited employment opportunities of handicapped individuals.

A finding of eligibility for OASDI or SSI benefits, based on disability or blindness is acceptable proof of incapacity for AFDC purposes.

(v) *"Living with [a specified relative] in a place of residence maintained * * * as his * * * own home".* (A) A child may be considered to meet the requirement of living with one of the relatives specified in the Act if his home is with a parent or a person in one of the following groups:

(1) Any blood relative, including those of half-blood, and including first cousins, nephews, or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great.

(2) Stepfather, stepmother, stepbrother, and stepsister.

(3) Persons who legally adopt a child or his parent as well as the natural and other legally adopted children of such persons, and other relatives of the adoptive parents in accordance with State law.

(4) Spouses of any persons named in the above groups even after the marriage is terminated by death or divorce.

(B) A home is the family setting maintained or in process of being established, as evidenced by assumption and continuation of responsibility for day to day care of the child by the relative with whom the child is living. A home exists so long as the relative exercises responsibility for the care and control of the child, even though either the child or the relative is temporarily absent from the customary family setting. Within this interpretation, the child is considered to be "living with" his relative even though

(1) He is under the jurisdiction of the court (e.g., receiving probation services or protective supervision); or

(2) Legal custody is held by an agency that does not have physical possession of the child.

(vi) *"Student regularly attending a school, college, or university, or regularly attending a course of vocational or technical training designed to fit him for gainful employment."* A child may be considered a student regularly attending a school or a training course:

(A) If he is enrolled in and physically attending a full-time (as certified by the school or institute attended) program of study or training leading to a certificate, diploma or degree; or

(B) If he is enrolled in and physically attending at least half-time (as certified by the school or institute attended) a program of study or training leading to a certificate, diploma or degree and is regularly employed in or available for and actively seeking part-time employment; or

(C) If he is enrolled in and physically attending at least half-time (as certified by the school or institute attended) a program of study or training leading to a certificate, diploma or degree and is precluded from full-time attendance or

part-time employment because of a verified physical handicap.

Under this interpretation:

(D) Full-time and half-time attendance are defined, as set forth in Veterans Administration requirements:

(1) In a trade or technical school, in a program involving shop practice, full-time is 30 clock hours per week and half-time is 15 clock hours; in a program without shop practice, full-time is 25 clock hours and half-time is 12 clock hours;

(2) In a college or university, full-time is 12 semester or quarter hours and half-time is 8 semester or quarter hours;

(3) In a secondary school, full-time is 25 clock hours per week or 4 Carnegie units per year and half-time is 12 clock hours or 2 Carnegie units;

(4) In a secondary education program of cooperative training or in apprenticeship training, full-time attendance is as defined by State regulation or policy; and

(E) A child shall be considered in regular attendance in months in which he is not attending because of official school or training program vacation, illness, convalescence, or family emergency, and for the month in which he completes or discontinues his school or training program.

(2) Federal financial participation is available in:

(i) Initial payments made on behalf of a child who goes to live with a relative specified in section 406(a)(1) of the Social Security Act within 30 days of the receipt of the first payment, provided payments are not made for a concurrent period for the same child in the home of another relative or as AFDC-FC;

(ii) Payments with respect to an unborn child when the fact of pregnancy has been determined by medical diagnosis;

(iii) Payments made for the entire month in the course of which a child leaves the home of a specified relative, provided payments are not made for a concurrent period for the same child in the home of another relative or as AFDC-FC; and

(iv) Payments made to persons acting for relatives specified in section 406(a)

(1) of the Act in emergency situations that deprive the child of the care of the relative through whom he has been receiving aid, for a temporary period necessary to make and carry out plans for the child's continuing care and support.

(3) Federal financial participation (at the 50 percent rate) is available in any expenses incurred in establishing eligibility for AFDC, including expenses incident to obtaining necessary information to determine the existence of incapacity of a parent or pregnancy of a mother.

Effective date. The regulation in this section shall be effective on November 22, 1974, or earlier at State option.

(Sec. 1102, 49 Stat. 647 (42 U.S.C. 1302))
(Catalog of Federal Domestic Assistance

Program No. 13.761, Public Assistance-Maintenance Assistance (State Aid).)

Dated: May 15, 1974.

JAMES S. DWIGHT, Jr.,
Administrator, Social and
Rehabilitation Service.

Approved: September 18, 1974.

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

[FR Doc. 74-21992 Filed 9-20-74; 8:45 am]

Title 49—Transportation

CHAPTER X—INTERSTATE COMMERCE COMMISSION

SUBCHAPTER C—ACCOUNTS, RECORDS AND REPORTS

[No. 35949]

EQUITY METHOD OF ACCOUNTING FOR CERTAIN LONG-TERM INVESTMENTS IN COMMON STOCKS

At a general session of the Interstate Commerce Commission held at its office in Washington, D.C., on the 3rd day of September 1974.

Consideration having been given to the matters and things involved in this proceeding, and the said Commission, on the date hereof, having made and filed a report herein containing its findings and conclusions, which report is hereby made a part hereof:

It is ordered, That Parts 1201 through 1210 of Title 49 of the Code of Federal Regulations be, and they are hereby, amended to read as set forth below.

It is further ordered, That the prescribed amendments shall be effective January 1, 1974, and reflected in the annual reports to this Commission for the accounting year ending December 1974.

It is further ordered, That the initial adjustment to convert to the equity method shall be reflected in the financial statements as adjustments to the investment and retained income accounts.

And it is further ordered, That service of this order shall be made on all affected carriers; and to the Governor of every State and to the Public Utilities Commissions or Boards of each State having jurisdiction over transportation; and that notice of this order shall be given to the general public by depositing a copy in the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and by filing a copy with the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER.

(49 U.S.C. 12, 20, 304, 913, 1012.)

By the Commission.

[SEAL] ROBERT L. OSWALD,
Secretary.

NOTE: This decision is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.

¹These amendments were proposed on April 9, 1974 at 39 FR 12876.

PART 1201—UNIFORM SYSTEM OF ACCOUNTS FOR RAILROAD COMPANIES REGULATIONS PRESCRIBED

Under "(ii) Definitions", add the following:

22. (a) "Investor" means a business entity that holds an investment in voting stock of another company.

(b) "Investee" means a corporation that issued voting stock held by an investor.

(c) "Corporate joint venture" is a company owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group. Joint facilities for purposes of this system of accounts are not considered corporate joint ventures.

(d) "Dividends", unless otherwise specified, means dividends paid or payable in cash, other assets, or another class of stock and does not include stock dividends or stock splits.

(e) "Earnings or losses of an investee" and "financial position of an investee" refer to net income (or net loss) and financial position of an investee determined in accordance with generally accepted accounting principles.

(f) "Undistributed earnings of an investee" means net income less dividends declared whether received or not.

(g) "Date of acquisition" is the date on which the investor assumes the rights of ownership. Ordinarily, this is the date assets are received and other assets are given or securities issued.

INSTRUCTIONS FOR INCOME AND BALANCE SHEET ACCOUNTS

Instruction "6-2 Recorded value of securities owned" is amended by designating the present paragraph as (a) and adding new paragraphs (b) and (c). As amended the instruction reads:

6-2 Recorded value of securities owned. (a) * * *

(b) (1) For financial statement purposes the carrier shall follow the principles of equity accounting for (1) all investments in corporate joint ventures (see definition 22(c)), and (2) all investments in voting stock of affiliated companies giving the carrier the ability to significantly influence the operating and financial policies of an investee (see definition 22(b)). For purposes of this instruction an investment of 20 percent or more of the outstanding voting stock of an investee will indicate the ability to exercise significant influence over an investee in the absence of evidence to the contrary.

(2) Since the equity method is not to be effected by entries in the books of accounts but is to apply only in financial reports to the Commission, the carrier shall establish worksheet or memorandum accounts. Three basic worksheet or memorandum accounts are needed:

(a) An investment account to include (1) equity in the undistributed earnings or losses of the investee since the date