standing of the Constitution, and of the rights and responsibilities of United States citizens.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-seventh day of August, in the year of our Lord nineteen hundred and seventy-five, and of the Independence of the United States of America the two-hundredth.

Gerald R. Ford

[FR Doc.75-23195 Filed 8-27-75;4:51 pm]

rules and regulations

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

Title 5—Administrative Personnel

CHAPTER I—CIVIL SERVICE COMMISSION

PART 213—EXCEPTED SERVICE

Executive Office of the President

Section 213.3303 is amended to show that one position of Associate Executive Director is reestablished under Schedule C.

Effective August 29, 1975, Section 213.3303(f)(2) is amended as set out below:

§ 213.3303 Executive Office of the President.

* * * * *

(f) *President's Commission on White House Fellows.* * * *

(2) *The Associate Executive Director.*

(5 U.S.C. 3301, 3302; EO 10577, 3 CFR 1954–1958 Comp., p. 218)

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

[FR Doc.75-23039 Filed 8-28-75;8:45 am]

PART 213—EXCEPTED SERVICE

Occupational Safety and Health Review Commission

Section 213.3344 is amended to reflect the following title change from: One Special Assistant to the Chairman to One Staff Assistant to the Chairman.

Effective August 29, 1975, § 213.3344(a) is revised as set out below:

§ 213.3344 Occupational Safety and Health Review Commission.

(a) One Staff Assistant to the Chairman.

(5 U.S.C. 3301, 3302; EO 10577, 3 CFR 1954–1958 Comp., p. 218)

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

[FR Doc.75-23040 Filed 8-28-75;8:45 am]

Title 25—Indians

CHAPTER I—BUREAU OF INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

PART 252—BUSINESS PRACTICES ON THE NAVAJO, HOPI AND ZUNI RESERVATIONS

Retail Business and Credit Transactions

AUGUST 25, 1975.

The authority to issue regulations is vested in the Secretary of the Interior by 5 U.S.C. 301 and sections 463 and 465 of the Revised Statutes (25 U.S.C. 2 and 9).

On March 31, 1975, a document was published in the FEDERAL REGISTER (40 FR 14320) proposing to revise Part 252 and add a new Part 253 to Subchapter W, Chapter I of Title 25 of the Code of Federal Regulations.

The purpose of these revisions and additions is to prevent the occurrences of abuses similar to those described during hearings conducted on the Navajo Reservation in 1972 by the Bureau of Indian Affairs (BIA) and the Federal Trade Commission (FTC) concerning reservation business practices.

The proposed rules were based in part on proposed trading post regulations submitted to the BIA by Dinebeiina Nahiilna Be Agaditahe (DNA), attorneys in a class action suit on behalf of Navajo consumers against the BIA to require the BIA to provide greater protection to Navajo consumers. On September 26, 1974, the Advisory Committee of the Navajo Tribal Council unanimously recommended that the BIA promulgate the proposed trading post regulations submitted by DNA.

Detailed comments on the proposed rules were received before the end of the initial 30-day comment period from the United Indian Traders Association (UITA), which represents many of the businesses that are licensed under these regulations. Other detailed comments were received in a document submitted jointly by the Office of Program Development (OPD) of the Navajo Tribe and DNA. This document is subsequently referred to as "DNA/OPD".

At the request of Ms. Annie D. Wauneka, a member of the Navajo Tribal Council, the comment period was extended an additional 30 days. During that period comments were received from Brown, Vlassis & Bain, attorneys for the Navajo Tribe. In addition to recommending revision of certain sections of the proposed rules they recommended that the proposed rules be promulgated as soon as possible.

Also during the extended comment period a resolution was received from Areas 1, 2, and 3 of District 5 of the Navajo Reservation. That resolution recommended that the proposed rules not be promulgated until they have been presented to the full Navajo Tribal Council for approval by a vote. The full tribal council began its session on June 3, 1975, but no tribal council resolution concerning the proposed rules has been received.

A number of articles and at least one letter to the editor appeared in newspapers in Arizona and New Mexico concerning the proposed rules. Copies of the proposed regulations were circulated to all chapter houses.

After review of all comments received the proposed rules were revised in a working draft. Because the revisions were extensive, a meeting was held on July 8, 1975, in Washington, D.C. to review the draft. Invited participants included representatives of the three tribes, DNA and UITA. Final revisions were made based on comments made at the July 8 meeting.

The format has been completely revised. Parts 252 and 253 have been combined and the sections rearranged into six subparts to make a more cohesive set of rules. The new arrangement is designed to help users locate an applicable section quickly.

The following sections that appeared in the proposed rules have been deleted:

§ 252.1 This section merely repeated statutory language. Because the meaning of statutes is partly determined by the legislative history, promulgating the statutory language in the regulations in 1975 could have an unintended legal effect.

§§ 252.30(b), 252.31, and 252.34 have been deleted because they purport to confer jurisdiction on Federal courts and exceed the BIA's statutory authority. The decision to delete these sections was made after considering a brief submitted by DNA arguing that the sections are within the BIA's authority and a brief by UITA arguing that such provisions are not authorized by statute.

§ 252.32 has been deleted because it could be construed to preclude tribal enforcement of business regulations. The statutes themselves establish the Commissioner's responsibilities in this area.

The following sections in the final regulations reflect substantial changes from the proposed rules:

§ 252.2 Both the Hopi and Zuni tribal officials asked that tribal members be exempt from these regulations while doing business on their own reservation. Both tribes have detailed ordinances governing the business activities of their own members on the reservation.

§ 252.3 The term "annual percentage rate" and "finance charge" have the same meaning as they do in the Truth in Lending regulations with which lenders on the reservation are already familiar.

§ 252.4 Most references to the Superintendent or Area Director have been changed to Commissioner. The change permits the Commissioner to delegate authority in a flexible manner.

§ 252.5 Persons who lease businesses, as well as persons who own them are

required to obtain a license. This change was made so that a license is required on the Hopi or Zuni Reservation when a person who is not a tribal member leases a business from someone who does belong to the tribe.

§ 252.6 Tribal approval of all license applications is required. Approval by the tribe replaces the public notice provision in the proposed rules as the means for obtaining community participation in the licensing decision. Paragraph (c) was added to make it clear that these regulations are designed to protect consumers from the effects of a natural monopoly resulting from isolation, but that no legal monopoly or franchise system is intended.

§ 252.7 Paragraph (b) was redrafted as suggested by UITA and endorsed by DNA/OPD. The purpose of the revision is to eliminate overlap between the required insurance coverage and the bond coverage. All provisions purporting to state what actions can be tried in U.S. District Court have been omitted because the Commissioner cannot by regulation confer jurisdiction on the courts. Paragraph (c) was added at the request of Hopi and Zuni tribal representatives (see § 252.15).

§ 252.9 At the request of tribal representatives, tribal approval of applications for license renewal is also required.

§ 252.10 Fees for the larger businesses have been raised. The fee had not been changed since 1957. The increase is necessary to provide the funds to meet the Commission's responsibility to enforce the regulations. The fee for smaller businesses remains the same to avoid imposing a burden that might require the raising of prices. Lower fees for Navajo tribal members are authorized to conform to current practice. UITA representatives stated they had no objections to the increased fees. Use of the fees for enforcement of the regulations has been made mandatory.

§ 252.11 At the request of tribal representatives, this section has been expanded to state that tribal taxes and tribal enforcement of the regulations or consistent tribal ordinances are not precluded.

§ 252.12 This section has been revised to restrict permittees to selling only those products specified on the permit.

§ 252.13 The personal injury and property damage liability bond has been increased because of inflation.

§ 252.14 Paragraph (b) was added to state the requirements currently imposed on persons seeking a livestock permit.

§ 252.15 Representatives of both the Hopi and Zuni Tribes asked that licensees be asked to voluntarily submit to tribal court jurisdiction. Their constitutions permit jurisdiction over non-Indians only if the non-Indians consent to it. Representatives of the Navajo Tribe specifically stated that the Navajo Tribe does need such a provision applied to licensees on the Navajo Reservation since the Navajo Tribe does not have the same constitutional limitations that the Zuni and Hopi Tribes have. Because of the Administration policy of Indian Self-Determination, the proposal of the Hopi and Zuni Tribes has been adopted despite objections of UITA.

§ 252.16 All participants at the July 8 meeting agreed than any manner of price marking would be acceptable so long as it served the purpose of giving the purchaser advance notice of the price.

§ 252.17 All participants at the July 8 meeting agreed that this section should prohibit knowingly offering for sale contaminated food. Paragraph (c) was added at the suggestion of the Indian Health Service. Participants at the July 8 meeting agreed to the paragraph provided that the training was actually available from the Indian Health Service.

§ 252.18 All participants at the July 8 meeting agreed that this section should be broadened to require an authorized employee for all normal transactions.

§ 252.20 The UITA raised strong objections to this section. UITA believes that customers should continue to have the opportunity to engage in barter if they wish. UITA representatives commented that its members are frequently willing to pay higher prices for Indian goods if payment is made in merchandise rather than money. Representatives of DNA and the Navajo Tribe stated they were opposed to the continuation of barter because it would inhibit the development of a cash economy. They believe the elimination of barter would create more competition among businesses and result in lower prices to customers. The Commissioner supports the determination of the tribes to promote the development of a cash economy by eliminating barter transactions.

§ 252.24 All participants at the July 8 meeting agreed that this section should specify a meeting of a tribal governing body.

§ 252.26 A recent Federal Court of Appeals decision found the term "antiquity" to be unconstitutionally vague. The phrase "artifacts created before 1930" has been substituted to resolve the vagueness problem. All participants at the July 8 meeting agreed that the prohibition should apply regardless of the ownership of the land from which the artifacts were removed.

§ 252.27 To eliminate vagueness problems, this section adopts the definition of Indian artifacts found in 25 CFR 308.3(a).

§ 252.29 This scope of this section was limited to the Navajo Reservation at the request of the Hopi and Zuni Tribes.

§ 252.30 The definition of retaliatory action has been deleted. It could have been construed as giving a customer who had complained an absolute right to a loan, no matter how poor a credit risk the person is.

§ 252.31 This section has been redrafted to simplify the language. No change in meaning is intended. Suggestions at the July 8 meeting to liberalize the restrictions imposed will require further analysis to determine whether they are consistent with the statutory restrictions.

§ 252.32 The additional license and bond requirements has been restricted to only those creditors who take pawn. The FTC report clearly indicates that the primary purpose for a higher bond is to insure responsibility for the loss of a customer's property. Only pawnbrokers are likely to have any property belonging to customers. Paragraph (b) has been redrafted as recommended by the UITA and endorsed by DNA/OPD to eliminate any overlapping with the insurance coverage. Paragraph (e) was added at the request of representatives of the Hopi and Zuni Tribes. Both tribes are considering a total ban on prior transactions.

§ 252.33 The license fee has been set at the same level as required by the State of Arizona. UITA representatives stated at the July 8 meeting that they had no objections to this fee.

§ 252.34 The recommendation by the UITA to make the agreed replacement value conclusive on the parties was rejected. The inequality of bargaining power between pledgor and pledgee create the risk that the agreed value would be substantially understated.

§ 252.35 The UITA recommendation that loans carrying a finance charge of less than five dollars be exempted from disclosure requirements has been rejected. The exemption would exclude from coverage most of the pawn loans made on the reservations.

§ 252.36 and § 252.37 UITA and tribal representatives at the July 8 meeting agreed that the usury limit should be 24 percent per year on the unpaid balance. UITA, however, proposed that there be a minimum charge of $5.00 or 20 percent on loans up to $75. UITA proposed a minimum charge of $7.50 or 24 percent per annum on loans over $75. Tribal representatives proposed a provision authorizing the creditor to charge an administrative fee upon prepayment of 10 percent of the unearned finance charge or two dollars, whichever is greater, in lieu of the earned finance charge.

Navajo and DNA representatives stated that the tribal proposal would provide an adequate return so that no reservation pawnbroker would be forced to discontinue pawn transactions for economic reasons.

The vice-president of the UITA presented data on the costs of making loan on pawn based on his own experience at his trading post at Teec Nos Pos, Arizona. The average agreed market value of pawned items was $87.40. The average amount of loans made on the pawn is $27.08. The average time in pawn is four months. An average of 32 percent of the pawn is in over six months and can become the property of the trader under the old regulations. His insurance costs are 65 cents a year per $100 of agreed value with a deductible of $5,000. There are other traders who do not take the deductible. They are charged $1.25 per $100 of agreed value per year. The bank charges him $10 percent to borrow the money he loans to pawnors. The Navajo Tribe collects 1.5 percent fee on the interest received. Fixed initial costs include a pawn form costing 6 cents a pawn tag

costing 2.4 cents and ten minutes of labor at $2.10 an hour or 35 cents.

Based on these data it would cost $1.59 to make the average loan on the average amount of pawn for the average amount of time. Additional costs for pawn that goes to the present retention period of six months would raise the costs to $2.29. Costs for pawn that goes to the proposed one-year retention period would be $4.34. Included in the costs for pawn that stays in the entire period is 55 cents for the costs associated with notifying the pawnor that that creditor intends to sell the pawn.

Analysis of these data shows that a creditor would receive a net profit equal to 6.4 percent a year on the amount loaned as a result of making the average loan and imposing the 24 percent finance charge. Using the tribal proposal, the net profit on a loan for one month would be 173.5 percent on a $10 loan, 80.2 percent on a $20 and 49.6 percent on $30. The net profit on four month loans woud be 34.2 percent on $10, 11.1 percent on $20 and 7.4 percent on $30. Net profit for eight month loans would be 11.1 percent on $10, 8.5 percent on $20 and 9.5 percent on $30. If the loans go for the full year and notice of intent to sell must be sent the net profit would be 1.9 percent on $10, 6.7 percent on $20 and 8.4 percent on $30. These calculations are based on holding pawn worth three times the amount of the loan. If the creditor can make the loans without borrowing money, the net profit for each loan would be 10 percent higher than the percentages listed above.

Since there is no risk involved in making loans on pawn, these net profit margins would seem to provide adequate economic incentive for creditors to make loans in amounts as low as $10. The loans also benefit the merchants by putting money in the hands of their customers to buy their goods. For these reasons the tribal proposals have been adopted.

§ 252.38 This section was redrafted based on the DNA/OPD comments. It forbids "merchandise pawn" transactions unless no finance charge is imposed. UITA representatives are opposed to this provision. They believe customers should be able to "trade out" pawn loans in goods from the store rather than take cash or a negotiable check. They said many stores are willing to give customers a discount on store prices if they trade out a pawn loan in merchandise from the store rather than take a cash loan. Navajo tribal representatives said they believe this section is necessary to create a cash economy and promote greater competition. They believe the increased competition would result in lower prices for all consumers. The Commissioner supports the tribe's policy on this matter.

§ 252.39. The tribes, DNA and UITA all agreed to substitute a public sale for the auction requirement. The requirement that the creditor give the pawnor any surplus over the costs and the amount owed is retained despite objections from UITA. Such a requirement is important when the value of the security is regularly many times the amount of the loan.

§ 252.44 Paragraph (a) has been redrafted as recommended by UITA and endorsed by DNA/OPD. Many reservation pawnbrokers already have an insurance policy that meets these requirements.

§ 252.45 The tribes, DNA and UITA agreed to extend the time to respond to a consumer credit application from ten to thirty days.

§ 252.47 The tribes, DNA and the UITA all agreed to change this provision so it does not automatically apply to extensions of credit on which no finance charge is imposed.

§ 252.50 The term "member of the tribe" has been substituted for the term "Indian of the full blood." The change is consistent with the intent of Congress in passing 25 U.S.C. 164. Navajo tribal members are exempted only from the operation of those sections that contain a specific exemption, see U.S. v Parton 132 F. 2d 886 (1943).

§§ 252.52 and 252.53 The provisions for automatic revocation of the lease when the license is revoked has been added. The show cause proceeding has also been added.

§ 252.54 The review period has been increased from five years to ten years. The UITA requested the increase because the shorter period would have made it difficult for reservation businesses to obtain loans. DNA/OPD agreed to the change.

§ 252.55 Paragraph (a) follows the language suggested by DNA/OPD. The off-reservation stores to be surveyed will only be those that are similar to the licensed stores. This change was made in response to UITA's concern that discount stores might be compared to the licensed stores. Paragraphs (b) and (c) follow the language suggested by the UITA and agreed to by DNA/OPD. The provision for reducing prices to a level below a reasonable level has been eliminated with the concurrence of DNA/OPD.

§ 252.56 This is a new section. It is based on the show cause procedures found in 25 CFR § 131.14, which deals with lease cancellations.

§ 252.58 The bill of sale requirement is limited to the Navajo Reservation because of objections raised by the attorney for the Hopi and Zuni Tribes to this provision.

§ 252.59 This is a new section giving consumers standing to initiate and participate in enforcement proceedings. It was added after the decision was made that the consumer remedies published as proposed rules should be deleted because they exceeded the statutory authority.

The effective date, for sections that do not require the development of new forms in September 26, 1975. The effective date of other sections is January 1, 1976. The additional time is needed for the development and printing of the forms.

Effective date. The following sections of this Part become effective on September 26, 1975: §§ 252.1, 252.2, 252.3, 252.4, 252.11, 252.16, 252.18, 252.19, 252.20, 252.21, 252.22, 252.24, 252.25, 252.26, 252.27, 252.28, 252.29, 252.30, 252.31, 252.36, 252.37, 252.42, 252.43, 252.49, 252.50, 252.51, 252.52, 252.53, and 252.56. All other sections of this Part become effective on January 1, 1976.

Part 252 is added to read as follows:

Subpart A—Interpretation and Construction Guides

Sec.
252.1 Purpose.
252.2 Scope.
252.3 Definitions.
252.4 Interpretation and construction.

Subpart B—Licensing Requirements and Procedures

252.5 Reservation business license required.
252.6 Approval or denial of license application.
252.7 Bond requirement for a reservation business.
252.8 License period for reservation business.
252.9 Application for license renewal.
252.10 License fees for reservation businesses.
252.11 Tribal fees, taxes and enforcement.
252.12 Peddler's permits.
252.13 Amusement company licenses.
252.14 Trade in livestock restricted.
252.15 Consent to jurisdiction of Hopi and Zuni tribal courts.

Subpart C—General Business Practices

252.16 Price marking.
252.17 Health and sanitation requirements.
252.18 Availability of employee authorized to transact business.
252.19 Check cashing.
252.20 Payment for purchase of Indian goods or services.
252.21 Trade confined to premises.
252.22 Subleasing prohibited.
252.23 Posted statement of ownership.
252.24 Attenance at semi-annual meetings.
252.25 Withholding of mail prohibited.
252.26 Trade in antiquities prohibited.
252.27 Trade in imitation Indian crafts prohibited.
252.28 Gambling prohibited.
252.29 Political contributions restricted.
252.30 Retaliation prohibited.
252.31 Trade by Indian Affairs employees restricted.

Subpart D—Pawnbroker Practices

252.32 Reservation pawnbroker license required.
252.33 Fees for pawnbroker licenses.
252.34 Pawnbroker records.
252.35 Pawnbroker disclosure requirements.
252.36 Maximum finance charges on pawn transaction.
252.37 Prepayment.
252.38 Pawn loans; period, notice and sale.
252.39 Sale and redemption of pawn.
252.40 Proceeds of sale.
252.41 Refinancing transaction.
252.42 Lost pawn receipts or tickets.
252.43 Outstanding obligations owed to pledgee.
252.44 Insurance on pawn.

Subpart E—Consumer Credit Transactions Other Than Pawn

252.45 Consumer credit applications.
252.46 Credit disclosure statements.
252.47 Monthly billing statements.
252.48 Translation of disclosure statements.
252.49 Usury prohibited.

Subpart F—Enforcement Powers, Procedures and Remedies

252.50 Penalty and forfeiture of merchandise.
252.51 Authority to close unlicensed reservation businesses.
252.52 Bond forfeiture and revocation of license and lease.
252.53 Cease and desist orders.

Sec.
252.54 Periodic review of performance.
252.55 Price monitoring and control.
252.56 Show cause procedures.
252.57 Procedures to cancel liability on bond.
252.58 Records, reports and obligations of reservation business owners.
252.59 Customer compliance procedures.

AUTHORITY: 5 U.S.C. 301, secs. 463, 465 revised statutes (25 U.S.C. 2 and 9) 230 DM 2.

Subpart A—Interpretation and Construction Guides

§ 252.1 Purpose.

The purpose of the regulations of this Part is to prescribe rules for the regulation of reservation businesses for the protection of Indian consumers on the Navajo, Hopi and Zuni Reservations as required by 25 U.S.C. 261, 262, 263, and 264.

§ 252.2 Scope.

The regulations of this Part apply to all persons who do business on the Navajo Reservation, to all non-members of the Hopi Tribe who do business on the Hopi Reservation and to all non-members of the Zuni Tribe who do business on the Zuni Reservation, except as otherwise provided in specific sections of this Part. These regulations do not apply to a business that is wholly owned and operated by the Hopi or Zuni Tribes or by a member of those tribes on the owner's reservation.

§ 252.3 Definitions.

For the purposes of this Part—

(a) "Annual percentage rate" means the annual percentage rate of finance charge determined in accordance with 12 C.F.R. 226.5, which defines annual percentage rates.

(b) "Consumer credit transaction" means a grant of credit or a loan that is made by a person regularly engaged in the business of making loans or granting credit primarily for a personal, family, household, or agricultural purpose.

(c) "Draft" means a writing that is a direction to pay that:

(1) Identifies the person to pay with reasonable certainty;

(2) Is signed by the drawer;

(3) Contains an unconditional order to pay a sum certain in money and no other promise, order, obligation or power given by the drawer;

(4) Is payable on demand or at a definite time; and

(5) Is payable to order.

(d) "Finance charge" means the cost of credit determined in accordance with 12 CFR 226.4, which defines "finance charge".

(e) "Firm" means a corporation or a partnership.

(f) "Gross receipts" include the following:

(1) All cash received from the conduct and operation of the licensee's business at the premises described in the application for license.

(2) Receipts from both wholesale and retail transactions.

(3) Receipts resulting from transactions concluded off the reservation that originate from the conduct and operation of the licensee's business on the reservation.

(4) The market value of all property taken in trade on the date when received and either held by the licensee for purposes other than resale or credited on any account in payment for merchandise.

(5) Proceeds from the sale of any goods bought from Indians regardless of where the sale takes place.

(6) Finance charge received on loans, but not the return of principal.

(g) "Open end credit" means consumer credit transactions made on an account by a plan under which (1) the creditor may permit the customer to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check, or other device, as the plan may provide; (2) the customer has the privilege of paying the balance in full or in installments; and (3) a finance charge may be computed by the creditor from time to time on an outstanding unpaid balance.

(h) "Pawnbroker" means a person whose business includes lending money secured by personal property deposited with the lender.

(i) "Peddler" means a person who offers goods for sale within the exterior boundaries of the Hopi, Navajo or Zuni Reservations, but does not do business from a fixed location or site on any of those reservations.

(j) "Person" includes a natural person, a corporation, trust, estate, partnership, cooperative or association.

(k) "Replacement value" means the present cost to the owner of replacing an item with one having the same quality and usefulness.

(l) "Reservation business" means a person that engages at a fixed location or site within the exterior boundaries of the Navajo, Hopi or Zuni Reservations in the sale or purchase of goods or services or in consumer credit transactions with Indians and is not a bank, saving bank, trust company, savings or building and loan association or credit union operating under the laws of the United States or the laws of New Mexico, Arizona or Utah, a business on the Hopi Reservation that is wholly owned and operated by members of the Hopi Tribe, or a business on the Zuni Reservation that is wholly owned and operated by members of the Zuni Tribe.

§ 252.4 Interpretation and construction.

(a) "Area Director" refers to the Area Director of the Bureau of Indian Affairs or the Administrator of the Joint Use Area of the Bureau of Indian Affairs who has jurisdiction over the land on which a person does business or intends to do business with Indians.

(b) "Commissioner" refers to the Commissioner of Indian Affairs or a person to whom the Commissioner of Indian Affairs has delegated authority under this Part or under 25 U.S.C. 261, 262, 263, or 264.

(c) "Superintendent" refers to the Superintendent of the Bureau of Indian Affairs who has jurisdiction over the land on which a person does business or intends to do business with Indians.

(d) "Tribe" refers to the tribe that has jurisdiction over the land on which a person does business or intends to do business with Indians.

Subpart B—Licensing Requirements and Procedures

§ 252.5 Reservation business license required.

(a) No person may own or lease a reservation business without a license issued under the provisions of this subpart.

(b) The applicant shall apply in writing on a form provided by the Commissioner setting forth the following:

(1) The full name and residence of the applicant.

(2) Three (3) responsible references.

(3) The firm name and the name of each member of the board of directors if the applicant is a firm.

(4) Satisfactory evidence as to the character, experience and business ability of the applicant and the employees of the applicant.

(5) Satisfactory evidence of the general fitness of the applicant and employees of the applicant to reside on the Indian reservation.

(c) Upon the request of the Commissioner, the applicant shall furnish the following:

(1) The capital invested or to be invested and, of this, the amount of capital owned and the amount borrowed or to be borrowed.

(2) The name of the lender of any borrowed capital, the date due, the rate of interest of be paid, and the names of any endorsers and security.

(3) A copy of any contract or trade agreement whether oral or written with creditors or financing individuals or institutions, including any stipulations whereby financing fees are to be paid.

(d) Information that if released might adversely affect the competitive position of the applicant shall remain confidential.

§ 252.6 Approval or denial of license application.

(a) The Commissioner shall approve or deny each license application and notify the applicant no later than thirty (30) days after receipt of a completed application.

(b) No application is complete until any clearance or tribal council approval required by tribal or Federal regulations has been obtained.

(c) The Commissioner may not deny a license to an applicant for the purpose of limiting competition.

(d) If the application is approved the license shall be issued on a form provided by the Commissioner.

(e) If the Commissioner denies the license application the applicant may appeal under the provisions of Part 2 of this Title no later than thirty (30) days after the date on which notice of denial of the application was sent.

§ 252.7 Bond requirement for a reservation business.

(a) An applicant for a license or renewal of a license to operate a reservation business shall at the time the application is submitted furnish a bond on a form

provided by the Commissioner in the name of the applicant in the amount of ten thousand dollars ($10,000) or such larger sum as the Commissioner may designate, with two (2) on more sureties approved by the Commissioner or with a guaranty company qualified under the Act of August 13, 1894 (28 Stat. 279; 6 U.S.C. 6–13). The bond shall be for the same period covered by the license. No licensee may trade without a bond. Except as provided in paragraph (d) of this section, no surety may be released from liability until the license expires.

(b) The bond shall be in favor of the United States and the customers of the licensee and shall be conditioned on the faithful performance by the licensee of all duties and obligations under the license.

(c) Any surety for a reservation business on the Hopi or Zuni Reservation shall agree in writing to submit itself voluntarily to the jurisdiction of the tribal court for the purpose of adjudicating any claim arising under the bond.

(d) Any surety on the bond of a licensed reservation business may be relieved from liabilities by complying with the provisions of § 252.57 of this Title.

§ 252.8 License period for reservation businesses.

A license to operate a reservation business may not be issued unless the applicant has a right to use the land on which the business is to be conducted. The license period shall correspond to the period of the lease held by the licensee. The license period in no event may exceed twenty-five (25) years.

§ 252.9 Application for license renewal.

(a) An applicant for renewal of the license to trade shall file an application on a form provided by the Commissioner with the Area Director not less than three (3) months prior to the expiration of the existing license. The Area Director shall report in writing to the Commissioner on the record the applicant has made as a reservation business owner and the applicant's present fitness to reside on the Indian reservation.

(b) The Commissioner may issue a temporary permit for three (3) months pending consideration of application for license renewal.

(c) Prior to expiration of the existing license or, if issued, the temporary permit, the Commissioner shall approve or deny the application for license renewal and notify the applicant.

(d) No license may be renewed until any clearance or tribal council approval required by tribal or other federal regulations has been obtained.

(e) If the Commissioner denies the application for renewal, the applicant may appeal under the provisions of Part 2 of this Title.

§ 252.10 License fees for reservation businesses.

(a) Prior to the issuance of an initial license, each licensee who is not a member of the Navajo tribe shall pay the following amount:

(1) If the license is issued before July 1, the licensee shall pay fifty dollars ($50).

(2) If the license is issued on or after July 1, the licensee shall pay twenty-five dollars ($25).

(b) Each licensed business owner who is not a member of the Navajo tribe shall pay on or before January 10 of each year an annual license fee determined as follows based on the licensee's most recent annual report:

(1) If the licensee's gross receipts are less than one hundred thousand dollars ($100,000) for the year or the licensee has not yet been required to file its first annual report, the license fee is fifty dollars ($50).

(2) If the licensee's gross receipts for the year are at least one hundred thousand dollars ($100,000) but not more than four hundred and ninety-nine thousand nine hundred and ninety-nine dollars ($499,999) the fee is one hundred dollars ($100).

(3) If the licensee's gross receipts for the year are at least five hundred thousand dollars ($500,000) but not more than seven hundred and forty-nine thousand nine hundred and ninety-nine dollars ($749,999), the fee is two hundred dollars ($200).

(4) If the licensee's gross receipts for the year are seven hundred fifty thousand dollars ($750,000) or more, the fee is three hundred dollars ($300).

(c) The Navajo Area Director shall determine the annual license fee payable by licensees who are enrolled members of the Navajo Tribe. The license fee for an enrolled member of the Navajo Tribe may not be less than twenty percent (20%) nor greater than one hundred percent (100 percent) of the amount the licensee would be required to pay if the licensee were not a tribal member.

(d) All fees are payable to the Area Director and shall be deposited to the credit of a subaccount of the account "Indian Monies, Proceeds of Labor" and shall be expended in the enforcement of the regulations of the Part.

§ 252.11 Tribal fees, taxes and enforcement.

(a) The regulations in this Part do not preclude the Hopi, Navajo, or Zuni tribal councils from assessing and collecting such fees or taxes as they may deem appropriate from reservations businesses.

(b) Nothing in the regulations of this Part may be construed to preclude tribal enforcement of these regulations or consistent tribal ordinances.

§ 252.12 Peddler's permits.

(a) No peddler may offer goods for sale within the exterior boundaries of the Hopi, Navajo, or Zuni Reservations without a peddler's permit. The permit shall state on its face the class of goods that may be offered for sale. No peddler may offer for sale any class of goods other than those listed on the face of the permit.

(b) The applicant shall apply for a permit in writing on a form provided by the Commissioner.

(c) Peddlers shall pay such fee and post such surety bond on a form provided by the Commissioner as the Commissioner requires. The surety bond required may not be less than five hundred dollars ($500) nor more than ten thousand dollars ($10,000).

(d) Any surety on the bond of a peddler may be relieved of liability by complying with the provisions of § 252.57.

§ 252.13 Amusement company licenses.

(a) No person may operate a portable dance pavilion, mechanical amusement device such as a ferris wheel or carousel, or commercial games of skill within the exterior boundaries of the Navajo, Hopi, or Zuni Reservations without a license from the Commissioner.

(b) The licensee shall pay such fee as the Commissioner requires. The fee shall be not less than five dollars ($5) nor more than twenty-five dollars ($25) per unit.

(c) The licensee shall post a surety bond on a form provided by the Commissioner in an amount not exceeding ten thousand dollars ($10,000) and a personal injury and property damage liability bond of not less than five thousand dollars ($5,000) nor more than fifty thousand dollars ($50,000) as may be required by the Commissioner.

(d) The provisions of this section do not apply to amusement companies where the contract between the tribe and the amusement company provides for the payment of a fee to the tribe and for the protection of the public against personal injury and property damage by bond in the amounts specified in paragraph (c) of this section.

(e) Any surety on a bond under this section may be relieved of liability by complying with the provisions of § 252.57.

§ 252.14 Trade in livestock restricted.

(a) No person other than an enrolled member of the tribe or any association, partnership, corporation or business entity wholly owned by enrolled members of the tribe may purchase livestock from tribal members without a special permit issued by the Commissioner.

(b) The Commissioner shall issue a permit to each applicant who establishes to the Commissioner's satisfaction that the applicant is a fit person to engage in the purchase of livestock and who posts a bond on a form provided by the Commissioner in the amount of ten thousand dollars ($10,000). This paragraph does not require a person who has posted a bond of ten thousand dollars ($10,000) or more under other provisions of this Part to post an additional bond to obtain a permit under this section.

(c) Any surety on a bond under this section may be relieved of liability by complying with the provisions of § 252.57.

§ 252.15 Consent to jurisdiction of Hopi and Zuni tribal courts.

As a condition to doing business on the Hopi or the Zuni Reservation each applicant for license under this Part shall, in accordance with the constitutions of those tribes, voluntarily submit the applicant and the applicant's employees or

agents to the jurisdiction of the tribal court for the purpose of the adjudication of any dispute, claim or obligation arising under tribal ordinance relating to commerce carried out by the licensee.

Subpart C—General Business Practices

§ 252.16 Price marking.

The price of each article offered for sale shall be marked on the article, its containers or in any other manner that is plain and visible to the customer and that affords the customer a reasonable opportunity to learn the price of the article prior to purchase.

§ 252.17 Health and sanitation requirements.

(a) Each licensee shall keep both the premises and the place of business in a clean and sanitary condition at all times and shall avoid exposure of foodstuffs to contamination. No licensee may offer for sale any goods that are banned for health or sanitation reasons from retail sale by any Federal agency or by the tribe or, where not in conflict with the tribal regulations, by the State or by any State agency. No licensee may knowingly offer for sale any food that is contaminated.

(b) All weights and measure shall conform to standards set by the National Bureau of Standards and to standards, if any, set by the tribe and, if not in conflict with tribal regulations, to the standards set by the State.

(c) If training in foodhandling is available from the Indian Health Service, each person working in a reservation business shall complete the foodhandler training offered by the Indian Health Service before handling any food sold by a reservation business.

(d) Any person whom the Service Unit Director of the Indian Health Service determines is infected with or is a carrier of any communicable disease in a stage likely to be communicable to persons exposed as a result of the infected employee's normal duties as a foodhandler may not be employed by a reservation business.

(e) Each business shall comply with all Federal health regulations and with all tribal health regulations that are consistent with Federal regulations. Each business shall comply with State health regulations that are consistent with tribal and Federal health regulations.

(f) Except as otherwise provided herein, nothing in this section may be construed as a grant of enforcement powers to any agency of a State or its subdivisions.

(g) It is the duty of the health officers of the Indian Health Service to make periodic inspections, recommend improvements, and report thereon to the Commissioner.

§ 252.18 Availability of employee authorized to transact business.

Each licensee shall provide during normal business hours an employee authorized in writing to engage in all business transactions that the licensee normally offers to customers.

§ 252.19 Check cashing.

(a) A reservation business may give a fully negotiable check in addition to United States currency when cashing a draft, check or money order. A reservation may not give scrip, credit or other substitute for United States currency when cashing a draft, check or money order.

(b) A reservation business owner or employee may advise a customer cashing checks, money orders or drafts of the amount due on the customer's credit accounts, pawn accounts or any other obligation the customer owes to the business, but in no event may the owner or employee withhold the proceeds of the check, money order or draft from the customer on the basis of existing credit obligations.

§ 252.20 Payment for purchase of Indian goods or services.

(a) A reservation business shall pay for the purchase of Indian goods or services with cash or a fully negotiable check. A reservation business may not pay for Indian goods or services with trade slips or future credit. In any transaction involving the purchase of Indian goods on the Navajo Reservation, the reservation business shall furnish a bill of sale indicating the name of the seller, a description of the goods, the amount paid for the goods, the date of sale, and the signature of both parties and shall retain a copy of the bill of sales in its business records.

(b) A reservation business owner or employee may advise a customer selling Indian goods or services of the amount due on the customer's credit accounts, pawn accounts or any other obligation the customer owes to the business, but in no event may the owner or employee withhold the proceeds of the sale from the customer on the basis of existing credit obligations.

§ 252.21 Trade confined to premises.

The licensee shall confine all trade on the reservation to the premises specified in the license, except, where permitted under § 252.14, the buying and selling of livestock and livestock products.

§ 252.22 Subleasing prohibited.

No licensee may lease, sublet, rent, or sell any building that the licensee occupies for any purpose to any person without the approval of the Commissioner and the consent of the tribe.

§ 252.23 Posted statement of ownership.

The licensee of a reservation business shall display in a prominent place a notice that is legible to customers stating the form of the business entity, the names and addresses of all other reservation businesses owned in whole or in part by the business entity, and if the licensee is not a corporation, the names and addresses of the owner or owners of the business. If the licensee is a corporation the notice shall list the names and addresses of the members of the Board of Directors.

§ 252.24 Attendance at semi-annual meetings.

Upon the request of a tribal official designated by the governing body, each licensee shall attend a semi-annual public meeting of a tribal governing body to respond to customer inquires.

§ 252.25 Withholding of mail prohibited.

No owner or employee of a reservation business may open, withhold, or otherwise delay the delivery of mail.

§ 252.26 Trade in antiquities prohibited.

No licensee may knowingly buy, sell, rent or lease any artifact created before 1930 that was removed from an historic ruin or monument.

§ 252.27 Trade in imitation Indian crafts prohibited.

No person may introduce or possess for disposition or sale within the exterior boundaries of the Hopi, Navajo or Zuni Reservations any object that is represented to be an Indian handicraft unless the object was produced by an Indian or Indians with the help of only such devices as allow the manual skill of the maker to condition the shape and design of each individual's product.

§ 252.28 Gambling prohibited.

No licensee may permit any person to gamble by dice, cards, or in any way whatever, including the use of any mechanical device, on the premises of any licensed business.

§ 252.29 Political contributions restricted.

No reservation business owner who is ineligible to vote in a Navajo tribal election may grant or donate any money or goods to any candidate for election to Navajo tribal office.

§ 252.30 Retaliation prohibited.

No licensee may refuse service to any customer for the purpose of retaliating against that customer for enforcing or attempting to enforce the regulations of this Part.

§ 252.31 Trade by Indian Affairs employees restricted.

(a) Except as authorized in this section, no person employed by the U.S. Government in Indian Affairs may have any interest in any trade with an Indian or an Indian organization. Employees of the U.S. Government may trade with an Indian or Indian organization for any purpose other than to engage in a profit-making activity under the following conditions:

(1) Where the amount involved is $500 or less a U.S. Government employee may purchase goods or services from an Indian or Indian organization.

(2) Where the amount involved is greater than $500 a U.S. Government employee may, with the approval of the Secretary of the Interior, purchase goods or services from any Indian or Indian organization.

(b) Lease or sale of home sites or allotments on trust or restricted Indian land

to or from Indian employees of the U.S. Government shall be made on sealed bids, unless the Commissioner waives this requirement on the basis of a report showing (1) the need for the transaction, (2) the benefits accruing to both parties, and (3) that the consideration for the proposed transactioin is not less than the appraised value of the land or leasehold interest unless the Indian employee qualifies and is intending a transaction in accordance with § 121.5 (b) and (c) of this Chapter of § 131.5(b) (1), (2) and (3) of this Chapter. An affidavit, as follows, shall accompany each proposed land transaction:

I _____
(Name)

_____
(Title)

swear (or affirm) that I have not exercised any undue influence nor used any special knowledge received by reason of my office in obtaining the (grantor's, purchaser's, vendor's) consent to the instant transaction.

(c) This section does not prohibit any reservation business from contracting with the Federal Government to provide postal services to Indian communities in which Government postal service is unavailable.

(d) Nothing in this section prohibits an Indian employee from receiving benefits by reason of membership in a tribe or corporation or cooperative association organized by and operated for Indians.

(e) U.S. Government employees who violate this section are liable to a penalty of five thousand dollars ($5,000) and shall be removed from office, see 25 U.S.C. 68.

Subpart D—Pawnbroker Practices

§ 252.32 Reservation pawnbroker license required.

(a) No person may accept pawns or pledges of personal property as security for monies or accounts due an Indian within the exterior boundaries of the Navajo, Hopi or Zuni Reservations unless such person is an agent of a bank, saving bank, trust company, savings or building and loan association, or credit union operating under the laws of the United States or the laws of New Mexico, Arizona, or Utah or unless such person—

(1) Holds a valid license to operate a reservation business,

(2) Holds a valid reservation pawnbroker license, and

(3) Posts a bond on a form provided by the Commissioner in the name of the licensee in the amount of twenty-five thousand dollars ($25,000) or such larger sum as may be designated by the Commissioner with two (2) or more sureties approved by the Commissioner or with a guaranty company qualified under the Act of August 13, 1894 (28 Stat. 279; 6 U.S.C. § 6–13).

(b) An applicant for a reservation pawnbroker license shall apply in writing on a form provided by the Commissioner.

(c) The bond required by paragraph (a) of this section shall be in favor of the United States and the customers of the licensee and shall specifically indemnify all customers for destroyed, lost, misplaced or misappropriated pawn or other property, and shall provide that any person suffering such loss may make a claim thereunder with the Commissioner. The bond shall be for the same period as the license.

(d) Any surety on a bond under this section may be relieved of liability by complying with the provisions of § 252.57.

(e) No person may accept pawns or pledges of personal property as security for monies or accounts due an Indian after the effective data of a tribal ordinance banning the acceptance of pawn on the reservation.

§ 252.33 Fees for pawnbroker license.

(a) Prior to the issuance of an initial pawnbroker license, each licensee who is not a member of the Navajo Tribe shall pay the following amount:

(1) If the license is issued before July 1, the licensee shall pay two hundred dollars ($200).

(2) If the license is issued before July 1, the licensee shall pay one hundred dollars ($100).

(b) Each licensed pawnbroker who is not a member of the Navajo Tribe shall pay on or before January 10 of each year an annual license fee of two hundred dollars ($200).

(c) The Area Director shall determine the annual license fee payable by licensees who are enrolled members of the Navajo Tribe. The license fee for a member of the Navajo Tribe may not be less than twenty percent (20 percent) nor greater than one hundred percent (100 percent) of the amount the licensee would be required to pay if the licensee were not tribal member.

(d) All fees are payable to the Area Director and shall be deposited to the credit of a subaccount of the account "Indian Monies, Proceeds of Labor" and shall be expended exclusively for the enforcement of the regulations of this Part.

§ 252.34 Pawnbroker records.

Each pawnbroker shall keep a written record of the following information:

(a) Transaction number.
(b) Name of pledgor.
(c) Address of pledgor.
(d) Census number or social security number of pledgor.
(e) Date of transaction.
(f) Replacement value of pawn.
(g) Description of pawned item.
(h) Amount loaned in cash.
(i) Amount loaned as credit.
(j) Finance charge.
(k) Amount financed.
(l) Date and amount of payments made by pledgor.
(m) Date notice of default sent to pledgor.
(n) Date pawned item sold.
(o) Name and address of purchaser.
(p) Amount received upon sale.
(q) Amount of any surplus returned to the pledgor.
(r) Such other information as the Commissioner may require.

§ 252.35 Pawnbroker disclosure requirements.

In all transactions in which pawn is taken the lender shall give the borrower a written ticket or receipt disclosing the following information to the extent applicable:

(a) Clear identification of the property pledged.
(b) The date of the transaction.
(c) Amount of the loan.
(d) Name and social security or census number of the pledgor.
(e) Replacement value of the pawn as agreed upon by the pledgor and pledgee.
(f) Date on which loan is due.
(g) The amount, expressed as a dollar amount, of any finance charges.
(h) The finance charges expressed as an annual percentage rate and computed in accordance with the provisions of 12 CFR 226.5(b).
(i) The amount, or method of computing the amount, of any charges to be assessed after the date the loan is due.
(j) A statement of the conditions of default and the pledgor's rights upon default, as defined by this Part.
(k) Identification of the method of computing any unearned portion of the finance charges in the event of prepayment of the obligation.

§ 252.36 Maximum finance charges on pawn transactions.

No pawnbroker may impose an annual finance charge greater than twenty-four percent (24 percent) of the unpaid balance for the period of the loan nor assess late charges or delinquency charges on any loan.

§ 252.37 Prepayment.

(a) Subject to the provisions of paragraph (b) of this section, the pledgor may prepay in full or in any part the unpaid balance of a loan at any time without penalty.

(b) When a loan is prepaid the lender may collect the earned portion of the finance charge or may charge an administrative fee not to exceed ten percent (10 percent) of the unearned finance charge or two dollars ($2) whichever is greater.

§ 252.38 Pawn loans, period, notice and sale.

(a) The proceeds of all loans secured by pawn and for which a finance charge is imposed shall be paid only in cash or with a fully negotiable check.

(b) The period of all such loans shall be no less than twelve (12) months, subject to the provisions of paragraph (c).

(c) Thirty (30) days prior to the end of the loan period the pledgee may make a declaration of intention to proceed with sale of the pawned item by sending notice of intent to the pledgor.

(d) The notice required in paragraph (c) of this section shall be sent to the pledgor and proof of delivery obtained and shall contain a description of the item pawned, a statement of the principal and finance charge owed, a statement of the intention to sell, the date of the sale, and the procedure for redemption.

(e) Nothing in this section requires the business owner to proceed with notice and sale if the business owner desires to hold the pawn for a period longer than the loan period stated in the original agreement.

(f) Unless notice is given under paragraph (c) of this section, or the loan is refinanced under the provisions of § 252.41, no finance charge may be imposed for the time the loan remains unpaid after the end of the loan period stated on the pawn ticket.

§ 252.39 Sale and redemption of pawn.

(a) If the retention period has expired and notice sent as required under § 252.38 of this Part has been sent and received, the pledgee may proceed with the sale of the pawn.

(b) The pawn shall be sold no sooner than thirty (30) days but no later than twelve (12) months after notice of intent to sell has been given. The sale shall be a public sale, with notice of the time, place, and manner to be given in a tribal newspaper of general circulation not less than fourteen (14) days prior to the sale, or in the absence of such a newspaper, in a commercially reasonable manner. The sale itself shall also be conducted in a commercially reasonable manner.

(c) A pledgor may redeem pawn which has been put up for sale at any time before the day it is to be sold by tendering to the plegee the face amount of the loan, plus the finance charge assessed on the original loan. The pledgee may also collect an additional charge covering the period between the date due and the date of redemption, provided that the rate of charge does not exceed the rate of interest on the original loan.

(d) The pledgee may buy at the pledgee's own sale if the collateral is of a type customarily sold in a recognized market or which is the subject of widely distributed standard price quotations.

(e) Pawn held for more than twelve (12) months after notice of intent to sell has been given may not be sold, but the pledgor may redeem the pawn at any time by tendering to the pledgee the face amount of the loan, plus the finance charge that accrued before the end of the sale period provided in paragraph (b) of this section.

§ 252.40 Proceeds of sale.

(a) The following items shall be deducted from the proceeds of the sale of pawned items in the following order of priority:

(1) The expense of advertising and conducting the sale, not to exceed ten percent (10%) of the amount loaned.

(2) The principal amount of the loan, plus any accrued finance charges.

(3) The finance charge calculated at the annual percentage rate of the original loan on the unpaid balance of the loan for the period from the date of default to the date of sale.

(b) Within ten (10) days after the sale of the pledge under this section, the pledgee shall send a notice to the pledgor informing the pledgor of the date of the sale, the proceeds of the sale, the allowable costs of the sale, any additional finance charges, and the amount of any surplus realized. The pledgee shall obtain proof that the notice was delivered.

(c) Any proceeds of the sale remaining after the deductions authorized in paragraph (a) of this section are deemed to be "surplus" and shall be paid over to the pledgor or the pledgor's estate in U.S. currency.

(d) The sale of pledged goods and the application of the proceeds in accordance with this section extinguishes all rights of action of the pledgee for any unpaid principal or finance charge on the original loan.

§ 252.41 Refinancing transaction.

(a) Any pawn agreement may be refinanced, either with or without an increase in the principal amount of the loan, prior to or following the date of expiration of the original period of the loan upon agreement between the parties.

(b) Such refinancing constitutes a new transaction for purposes of all disclosure and record keeping requirements of this Part and requires the issuance of a new ticket or receipt.

(c) The rate of the additional finance charge imposed as part of the refinancing agreement may not exceed the maximum rate imposed by § 252.36.

(d) The total finance charges in a refinancing agreement may not exceed the sum of the following amounts:

(1) The finance charge that the pledgor would have been required to pay upon prepayment on the date of refinancing under § 252.37 of this Part, except that, for the purpose of computing this amount, no minimum finance charge or administrative fee may be included, and

(2) Such additional finance charge as is permissible on the balance of the loan over the remaining period of the loan as extended.

(e) The default and sale procedures of this Part apply to a refinanced pawn transaction in the same manner as they apply to an original pawn transaction.

§ 252.42 Lost pawn receipts or tickets.

(a) Redemption may not be denied on the sole ground that the pledgor is unable to produce a receipt or pawn ticket, provided the pledgor gives a reasonable description of the pawned item or makes an actual identification of the item. The pledgee may require the pledgor to sign a receipt for the redeemed pawn. No person other than the pledgor may redeem pawn without a ticket.

(b) No additional charges may be imposed for the loss of a pawn receipt or ticket.

§ 252.43 Outstanding obligations owed to pledgee.

If the pledgor tenders payment to be applied toward redemption of a pawned item, it shall be so applied by the pledgee, irrespective of other outstanding obligations owed by the pledgor to the pledgee. The pledgee may not deny the pledgor the right to redeem the pawn.

§ 252.44 Insurance on pawn.

(a) Any licensee under this Part who lends money or extends credit with personal property as security and holds such property as a pledge shall maintain invault all risk insurance coverage running in favor of the pledgor for such property in amounts based upon a report issued monthly to the insurer. Such monthly report shall be an amount not less than the total agreed replacement value of all pawned items then held by the licensee.

(b) A copy of the insurance policy shall be available for inspection at the licensee's place of business and a copy shall be filed with the Commissioner.

Subpart E—Consumer Credit Transactions Other Than Pawn

§ 252.45 Consumer credit applications.

Any reservation business offering credit which is not secured by pawn shall provide an application for credit to any customer requesting credit. Within thirty (30) days of the date of application, the lender shall act upon the application and notify the customer in writing of the decision with the reason therefor. A business owner who reduces the amount of credit available to a customer or terminates a credit account shall provide written notice to the customer stating the reason for the reduction or termination of such credit.

§ 252.46 Credit disclosure statements.

Upon approval of a credit application the lender shall give the applicant the following information where applicable in a written disclosure statement:

(a) The maximum credit limit of the account.

(b) The conditions under which a finance charge may be imposed.

(c) The period in which payment may be made without incurring a finance charge.

(d) The method used in determining the balance on which the finance charge is calculated.

(e) The method used to calculate the finance charge.

(f) The periodic rates used and the range of balances to which each rate applies.

(g) The conditions under which additional charges may be made and the method for calculating those charges.

(h) A description of any lien that may be acquired on a customer's property.

(i) The minimum payment that must be made on each billing.

§ 252.47 Monthly billing statement.

On all credit accounts on which a finance charge may be imposed and for all other credit accounts when requested by the customer, a licensee shall issue a monthly billing statement to the customer stating the following information where applicable:

(a) The unpaid balance at the start of the billing period.

(b) The amount and date of each extension of credit and identification of each item costing more than ten dollars ($10).

(c) Payments made by a customer and other credits, including returns, rebates, and adjustments.

(d) The finance charge shown in dollars and cents.

(e) The rates used in calculating the finance charge plus the range of balances to which the finance charge was calculated.

(f) The closing date of the billing cycle.

(g) The unpaid balance at that time.

§ 252.48 Translation of disclosure statements.

Disclosure required by §§ 252.46 and 252.47 shall be made in writing regardless of the customer's ability to speak, read, or write the English language. Disclosure to non-English speaking persons shall be translated orally into the appropriate language.

§ 252.49 Usury prohibited.

No reservation business may take or receive money, goods, or other things of value for a loan or forbearance on a debt that exceeds in value the principal plus twenty-four percent (24 percent) per annum finance charge. Any reservation business contracting for, reserving, or receiving directly or indirectly, any greater amount shall forfeit the finance charge.

Subpart F—Enforcement Powers, Procedures and Remedies

§ 252.50 Penalty and forfeiture of merchandise.

Any person other than an enrolled member of the tribe who either resides as a reservation business owner within the exterior boundaries of the Navajo, Hopi, or Zuni Reservations or introduces or attempts to introduce goods or to trade therein without a license shall forfeit all merchandise offered for sale to the Indians or found in the person's possession and is liable to a penalty of five hundred dollars ($500). This section may be enforced by commencing an action in the appropriate United States District Court under the provisions of 28 U.S.C. 1345.

§ 252.51 Authority to close unlicensed reservation businesses.

The Commissioner shall close any reservation business subject to the provisions of this Part that does not hold a valid license or temporary permit.

§ 252.52 Bond forfeiture and revocation of license and lease.

The reservation business owner is subject to revocation of license and lease and forfeiture of bond in whole or in part in the event of any violation of the regulations of this Part after a show cause proceedings according to the provisions of § 252.56.

§ 252.53 Cease and desist orders.

(a) If the Commissioner believes that violation of the regulations in this Part is occurring, the Commissioner may order the person believed to be in violation to show cause according to the provisions of § 252.56 why a cease and desist order should not be issued.

(b) If the person accused of the violations fails to show cause at the hearing why such an order should not issue, the Commissioner shall issue the order.

(c) A person subject to a cease and desist order issued under this section who violates the order is liable to revocation of license after a show cause proceeding according to the provisions of § 252.56 of this Part.

§ 252.54 Periodic review of performance.

(a) The Commissioner shall review licenses at ten (10) year intervals to determine whether or not the business is operating in accordance with these regulations and all other applicable laws and regulations and whether the business is adequately serving the economic needs of the community.

(b) If, as a result of the review provided in paragraph (a) of this section, the Commissioner finds that the licensee has repeatedly violated these regulations, the Commissioner may order the licensee to show cause according to the provisions of § 252.56 why the licensee's license should not be revoked.

(c) If the licensee fails to show cause why the license should not be revoked, the Commissioner shall revoke the license.

§ 252.55 Price monitoring and control.

(a) A reservation business may not charge its customers unfair or unreasonable prices. To insure compliance with this section, the Commissioner shall perform audits as provided in § 252.58. In performing those audits the Commissioner may inspect all original books, records, and other evidences of the cost of doing business. In addition, at least once a year the Commissioner shall cause to be made a survey of the prices of flour, sugar, fresh eggs, lard, coffee, ground beef, bread, cheese, fresh milk, canned fruit, and such other goods as the Commissioner deems appropriate in all stores licensed under these regulations and in a representative number of similar stores located in communities immediately adjoining the reservations. The results of the survey shall be posted publicly, sent to each licensed business, and made available to the appropriate agency of the tribal government. Copies of the survey shall be available at the office of the Area Director.

(b) If the Commissioner finds that a reservation business is charging higher prices, especially for basic consumer commodities, than those charged on the average based on the studies conducted under the provisions of paragraph (a) of this section, the Commissioner may order the business owner to show cause under the provisions of § 252.56 why an order should not be issued to reduce prices. If the Commissioner determines that the prices charged by the business are not economically justified, based on all of the information, then the Commissioner may order the business to reduce its price on all items determined to be priced too high to a reasonable price as determined by the Commissioner, but in no event to a lower price than the cost of the item increased by a reasonable mark-up.

§ 252.56 Show cause procedures.

(a) When the Commissioner believes there has been a violation of this Part the Commissioner shall serve the licensee with written notice setting forth in detail the nature of the alleged violation and stating what remedial action the Commissioner proposes to take.

(b) The licensee shall have ten (10) days from the date of receipt of notice in which to show cause why the contemplated remedial action should not be ordered.

(c) If within the ten (10) day period the Commissioner determines that the violation may be corrected and the licensee agrees to take the necessary corrective measure, the licensee shall be given the opportunity to take the necessary corrective measures.

(d) If the licensee fails within a reasonable time to correct the violation or to show cause why the contemplated remedial action should not be ordered, the Commissioner shall order the appropriate remedial action.

(e) If the Commissioner orders remedial action the licensee may appeal under the provisions of Part 2 of this Title not later than thirty (30) days after the date on which the remedial action is ordered.

§ 252.57 Procedures to cancel liability on bond.

(a) Any surety who wishes to be relieved from liability arising on a bond issued under this Part shall file with the Commissioner a statement in writing setting forth the desire of the surety to be relieved of liability and the reasons therefor.

(b) The surety shall mail a copy of the statement by certified mail, return receipt requested, to the last known address of the licensee named in the bond.

(c) Twenty (20) days after the statement is mailed, if the Commissioner is satisfied that no further liability will arise that is not covered by other bond, the Commissioner shall issue an order releasing the surety from all liability thereafter arising on the bond.

(d) If the licensee does not have other bond sufficient to meet the requirements of this Part or has not executed and filed a new or substitute bond within twenty (20) days after the service of the statement, the Commissioner shall declare the licensee and lease void.

(e) No surety is released from liability under the bond for claims which arose prior to the issuance of the Commissioner's order releasing the surety.

§ 252.58 Records, reports and obligations or reservation business owners.

(a) The Commissioner may, in consultation with interested persons and agencies, promulgate a model bookkeeping

system for use in reservation businesses. Until such model bookkeeping system is promulgated, each business owner shall keep records in accordance with generally accepted accounting principles.

(b) Each reservation business owner shall file with the Area Director an annual report on or before the date by which the business is required to file its federal income tax return. Reports shall be subject to a yearly audit. The reports shall contain the names and respective interests of all persons participating in the business.

(c) The business owner or an employee shall record all sales and purchase, whether for cash or credit. If the business is on the Navajo Reservation the owner or an employee shall supply the customer with a copy of the sale transaction containing a description of the article purchased or sold, the date of the transaction, and the price. A cash register receipt complies with this paragraph for grocery or dry goods purchases for cash.

(d) The licensee shall keep a duplicate copy of any writing required by paragraph (c) of this section for a period of not less than three (3) years and shall provide the customer or the customer's representative one copy of those writings upon request.

§ 252.59 Customer complaint procedures.

(a) Any customer of a licensee may file a complaint with the Commissioner alleging that the licensee has committed a violation of this Part.

(b) Upon receipt of a customer complaint the Commissioner shall initiate show cause proceedings under the provisions of § 252.56 of this Part.

(c) If the Commissioner fails to order remedial action within forty (40) days from the date the complaint is filed, the complainant may appeal under the provisions of Part 2 of this Title not later than seventy (70) days after the date the complaint is filed.

(d) If the Commissioner orders remedial action, the complainant may appeal under the provisions of Part 2 of this Title not later than thirty (30) days after the date on which the remedial action is ordered.

MORRIS THOMPSON,
Commissioner of Indian Affairs.

[FR Doc.75-22997 Filed 8-28-75;8:45 am]

Title 7—Agriculture

SUBTITLE A—OFFICE OF THE SECRETARY OF AGRICULTURE

PART 2—DELEGATIONS OF AUTHORITY BY THE SECRETARY OF AGRICULTURE AND GENERAL OFFICERS OF THE DEPARTMENT

Miscellaneous Amendments

Part 2, Subtitle A, Title 7, Code of Federal Regulations, is amended to add delegations of authority to the Assistant Secretary for Marketing and Consumer Services and the Administrator, Agricultural Marketing Service, of certain functions under the Egg Research and Consumer Information Act of 1974, and to exclude the foreign market promotion programs under the Cotton Research and Promotion Act of 1966, Section 610 of the Agricultural Act of 1970, the Wheat Research and Promotion Act of 1970, the Potato Research and Promotion Act of 1971, the Egg Research and Consumer Information Act of 1974, and the National Wool Act of 1954, which have been delegated to the Assistant Secretary for International Affairs and Commodity Programs and to the Administrator, Foreign Agricultural Service. The amendments are as follows:

Subpart C—Delegations of Authority to the Under Secretary, Assistant Secretaries, and Director of Agricultural Economics

1. Section 2.17(a)(3) is amended to read as follows:

§ 2.17 Delegations of Authority to the Assistant Secretary for Marketing and Consumer Services.

(a) * * *

(3) * * *

(ix) Cotton Research and Promotion Act (7 U.S.C. 2101–2118) and Section 610 of the Agricultural Act of 1970 (7 U.S.C. 2119), except as delegated to the Assistant Secretary for International Affairs and Commodity Programs in § 2.21(d)(10).

* * * * *

(xxiv) Wheat Research and Promotion Act (7 U.S.C. 1292 note), except as delegated to the Assistant Secretary for International Affairs and Commodity Programs in § 2.21(d)(10).

* * * * *

(xxvii) Potato Research and Promotion Act (7 U.S.C. 2611–2627), except as delegated to the Assistant Secretary for International Affairs and Commodity Programs in § 2.21(d)(10).

* * * * *

(xxix) Section 708 of the National Wool Act of 1954, as amended (7 U.S.C. 1787), except as delegated to the Assistant Secretary for International Affairs and Commodity Programs in § 2.21(a)(30) and § 2.21(d)(10).

(xxx) Egg Research and Consumer Information Act (7 U.S.C. 2701–2718), except as delegated to the Assistant Secretary for International Affairs and Commodity Programs in § 2.21(d)(10).

Subpart F—Delegations of Authority by the Assistant Secretary for Marketing and Consumer Services

2. Section 2.50(a)(3) is amended to read as follows:

§ 2.50 Administrator, Agricultural Marketing Service.

(a) * * *

(3) * * *

(ix) Cotton Research and Promotion Act (7 U.S.C. 2101–2118) and Section 610 of the Agricultural Act of 1970 (7 U.S.C. 2119), except as specified in § 2.68(a)(10).

* * * * *

(xxiv) Wheat Research and Promotion Act (7 U.S.C. 1292 note), except as specified in § 2.68(a)(10).

* * * * *

(xxvii) Potato Research and Promotion Act (7 U.S.C. 2611–2627), except as specified in § 2.68(a)(10).

* * * * *

(xxix) Section 708 of the National Wool Act of 1954, as amended (7 U.S.C. 1787), except as specified in § 2.65(a)(30) and § 2.68(a)(10).

* * * * *

(xxx) Egg Research and Consumer Information Act (7 U.S.C. 2701–2718), except as specified in § 2.68(a)(10).

* * * * *

(5 U.S.C. 301 and Reorganization Plan No. 2 of 1953 (5 U.S.C. Appendix))

Effective date: August 29, 1975.

For Subpart C,

EARL L. BUTZ,
Secretary of Agriculture.

AUGUST 26, 1975.

For Subpart F,

JOHN DAMGARD,
Acting Assistant Secretary for Marketing and Consumer Services.

AUGUST 21, 1975.

[FR Doc.75-23054 Filed 8-28-75;8:45 am]

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

[Lemon Reg. 8]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

This regulation fixes the quantity of California-Arizona lemons that may be shipped to fresh market during the weekly regulation period Aug. 31-Sept. 6, 1975. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 910. The quantity of lemons so fixed was arrived at after consideration of the total available supply of lemons, the quantity of lemons currently available for market, the fresh market demand for lemons, lemon prices, and the relationship of season average returns to the parity price for lemons.

§ 910.308 Lemon Regulation 8.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, 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 Lemon 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 lemons, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) The need for this regulation to limit the quantity of lemons that may be marketed during the ensuing week stems from the production and marketing situation confronting the lemon industry.

(i) The committee has submitted its recommendation with respect to the quantity of lemons it deems advisable to be handled during the ensuing week. Such recommendation resulted from consideration of the factors enumerated in the order. The committee further reports the demand for lemons has eased so far this week. Average f.o.b. price was $7.48 per carton the week ended August 23, 1975, compared to $7.08 per carton the previous week. Track and rolling supplies at 112 cars were down 16 cars from last week.

(ii) Having considered the recommendation and information submitted by the committee, and other available information, the Secretary finds that the quantity of lemons 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 when 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 market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views of this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this 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 lemons; 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 August 26, 1975.

(b) *Order.* (1) The quantity of lemons grown in California and Arizona which may be handled during the period August 31, 1975, through September 6, 1975, is hereby fixed at 235,000 cartons.

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

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

Dated: August 28, 1975.

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

[FR Doc.23237 Filed 8-28-75;11:16 am]

CHAPTER X—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS AND ORDERS; MILK), DEPARTMENT OF AGRICULTURE

[Milk Order Nos. 32, 63; Docket Nos. AO-313-A28, AO-10-A50]

PART 1032—MILK IN THE SOUTHERN ILLINOIS MARKETING AREA

PART 1062—MILK IN THE ST. LOUIS-OZARKS MARKETING AREA

Order Amending Orders; Findings and Determinations

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of each of the aforesaid orders and of the previously issued amendments thereto; and all of the said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

The following findings are hereby made with respect to each of the aforesaid orders:

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in the respective marketing areas.

Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending each of the aforesaid orders effective not later than September 1, 1975. Any delay beyond that date would tend to disrupt the orderly marketing of milk in the marketing area.

The provisions of this order are known to handlers. The recommended decision of the Acting Administrator was issued on July 2, 1975, and the decision of the Assistant Secretary containing all amendment provisions of this order was issued August 25, 1975. The changes effected by this order will not require extensive preparation or substantial alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending each of the aforesaid orders effective September 1, 1975, and that it would be contrary to the public interest to delay the effective date of this amendment for 30 days after its publication in the FEDERAL REGISTER.

(Sec. 553(d), Administrative Procedure Act, 5 U.S.C. 551–559)

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in sec. 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within each of the respective marketing areas, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order amending each of the specified orders is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the respective orders as hereby amended; and

(3) The issuance of the order amending each of the specified orders is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the respective marketing areas.

ORDER RELATIVE TO HANDLING

It is therefore ordered, That on and after the effective date hereof, the handling of milk in the Southern Illinois and St. Louis-Ozarks marketing areas shall be in conformity to and in compliance with the terms and conditions of each of the aforesaid orders, as amended, and as hereby further amended, as follows:

1. In § 1032.52, paragraph (b) is revised as follows:

§ 1032.52 Plant location adjustments for handlers.

* * * * *

(b) For purposes of calculating such adjustment, transfers between pool plants shall be assigned Class I disposition at the transferee-plant only to the extent that 110 percent of Class I disposition at the transferee-plant exceeds the sum of receipts at such plant from producers and handlers described in § 1032.9(c), and the volume assigned as Class I to receipts from other order plants and unregulated supply plants, such assignment to be made first to receipts of fluid milk products from pool plants at which no location adjustment credit is applicable and then in sequence beginning with the plant at which the least location adjustment would apply.

* * * * *

In § 1062.52, paragraph (f) is revised as follows:

§ 1062.52 Plant location adjustments handlers.

* * * * *

(f) For purposes of calculating such adjustment, transfers between pool plants shall be assigned Class I disposition at the transferee-plant only to the extent that 110 percent of Class I disposition at the transferee-plant exceeds the sum of receipts at such plant from producers and handlers described in § 1062.9 (c), and the volume assigned as Class I to receipts from other order plants and unregulated supply plants, such assignment to be made first to receipts of fluid milk products from pool plants with plus location adjustment, then to receipts from plants with no location adjustment, and then in sequence to receipts from plants at which the smallest minus adjustments apply.

* * * * *

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

Effective date: September 1, 1975.

Signed at Washington, D.C., on August 26, 1975.

RICHARD L. FELTNER,
Acting Secretary.

[FR Doc.75-23050 Filed 8-28-75;8:45 am]

Title 9—Animals and Animal Products

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

PART 331—SPECIAL PROVISIONS FOR DESIGNATED STATES AND TERRITORIES; AND FOR DESIGNATION OF ESTABLISHMENTS WHICH ENDANGER PUBLIC HEALTH AND FOR SUCH DESIGNATED ESTABLISHMENTS

PART 381—POULTRY PRODUCTS INSPECTION REGULATIONS

Designation of the State of Tennessee

● The purpose of this document is to notify the public that the Secretary of Agriculture hereby designates the State of Tennessee under section 301(c)(3) of the Federal Meat Inspection Act and section 5(c)(3) of the Poultry Products Inspection Act. ●

Statement of considerations: A representative of the Governor of the State of Tennessee has advised this Department that the State of Tennessee is no longer in a position to continue administering the State meat inspection program after September 30, 1975, and has requested the Department to assume the responsibility for carrying out the provisions of titles I and IV of the Federal Meat Inspection Act, with respect to establishments within the State at which cattle, sheep, swine, goats, or equines are slaughtered or their carcasses, or parts or products thereof, are prepared for use as human food, solely for distribution within such State, and with respect to intrastate operations and transactions concerning meat products and other articles and animals subject to the Federal Meat Inspection Act, and persons, firms, and corporations engaged therein.

Also, the said representative of the Governor of the State of Tennessee has advised this Department that the State of Tennessee is no longer in a position to continue administering the State poultry inspection program after September 30, 1975, and has requested the Department to assume the responsibility for carrying out the provisions of sections 1–4, 6–10, and 12–22 of the Poultry Products Inspection Act with respect to establishments within the State at which poultry are slaughtered or poultry products are processed for use as human food, solely for distribution within such State, and with respect to intrastate operations and transactions concerning products and other articles and animals subject to the Poultry Products Inspection Act, and persons, firms, and corporations engaged therein.

The Secretary heretofore determined that the State of Tennessee had developed and activated requirements at least equal to the requirements under title I and IV of the Federal Meat Inspection Act and sections 1–4, 6–10, and 12–22 of the Poultry Products Inspection Act. However, such titles and sections contemplate continuous, ongoing programs, and in view of the termination date now applicable to the Tennessee programs, it is hereby determined that Tennessee is not effectively enforcing requirements at least equal to those imposed under titles I and IV of the Federal Meat Inspection Act and sections 1–4, 6–10, and 12–22 of the Poultry Products Inspection Act. Therefore, notice is hereby given that the Secretary of Agriculture designate said State under section 301(c)(3) of the Federal Meat Inspection Act and section 5(c)(3) of the Poultry Products Inspection Act.

On October 1, 1975, the provisions of titles I and IV of the Federal Meat Inspection Act shall apply to intrastate operations and transactions in said State and to persons, firms, and corporations engaged therein, to the same extent and in the same manner as if such operations and transactions were conducted in or for "commerce," within the meaning of the Federal Meat Inspection Act, and any establishment in the State of Tennessee which conducts any slaughtering or preparation of carcasses or parts or products thereof of cattle, sheep, swine, goats, horses, mules, or other equines, must have Federal inspection or cease its operations, unless it qualifies for an exemption under section 23(a) or 301(c) of the Federal Meat Inspection Act.

Also, on October 1, 1975, the provisions of sections 1–4, 6–10, and 12–22 of the Poultry Products Inspection Act shall apply to intrastate operations and transactions in said State and to persons, firms, and corporations engaged therein, to the same extent and in the same manner as if such operations and transactions were conducted in or for "commerce," within the meaning of the Poultry Products Inspection Act, and any establishment in the State of Tennessee which conducts any slaughtering or processing of poultry or poultry products must have Federal inspection or cease its operations, unless it qualifies for an exemption under section 15 or 5(c)(2) of the Poultry Products Inspection Act.

Therefore, the operator of each such establishment who desires to continue any such operations after September 30, 1975, should immediately communicate with the Regional Director for Meat and Poultry Inspection, as listed below, for information concerning the requirements and exemptions under the Acts and application for inspection and survey of the establishment:

Dr. G. Harner, Director, Southeastern Region, Meat and Poultry Inspection Program, 1718 Peachtree Street, NW., Room 216, Atlanta, Ga. 30309 (Telephone: 404/526-3926).

Accordingly, the table in § 331.2 of the federal meat inspection regulations (9 CFR 331.2) is amended as follows:

1. In the "State" column, "Tennessee" is added immediately below "Puerto Rico."

2. In the "Effective date of application of Federal provisions" column, "October 1, 1975" is added on the line with "Tennessee."

(Secs. 21 and 301(c), 34 Stat. 1260, as amended; 21 U.S.C. 621, 661(c); 37 FR 28464, 28477)

Further, the table in § 381.221 of the poultry products inspection regulations (9 CFR 381.221) is amended as follows:

1. In the "State" column, "Tennessee" is added immediately below "South Dakota."

2. In the "Effective date of application of Federal provisions" column, "October 1, 1975" is added on the line with "Tennessee."

(Secs. 5(c) and 14, 71 Stat. 441, as amended, 21 U.S.C. 454(c), 463; 37 FR 28464, 28477)

These amendments of the federal meat inspection regulations and the poultry products inspection regulations are necessary to reflect the determination of the Secretary of Agriculture under section 301(c) of the Federal Meat Inspection