rules and regulations

Title 7—Agriculture

CHAPTER II—FOOD AND NUTRITION SERVICE, DEPARTMENT OF AGRICULTURE

SUBCHAPTER C—FOOD STAMP PROGRAM

[Amdt. No. 65]

PART 270—GENERAL INFORMATION AND DEFINITIONS

Outreach Program

On June 20, 1975, there was published in the FEDERAL REGISTER (40 FR 26042), a notice of proposed rulemaking to revise Food Stamp Program Regulations, 7 CFR Part 270. The proposed amendment is for the purpose of requiring that the person who is applying for federally aided public assistance or general assistance will also be provided at the same time with the opportunity of applying for participation in the Food Stamp Program. Interested parties were given 30 days in which to submit written comments, suggestions, or objectives regarding the proposed amendment.

There were 19 comments received on the proposed amendment—16 in favor. The comments were received from two State Governors, three State welfare commissioners, nine State and county agencies and five community action organizations. Opposition to the proposed amendment centered mainly around the difference in the definition of "prompt action" between those applicable programs administered nationally by the U.S. Department of Health, Education and Welfare and the U.S. Department of Agriculture.

The majority of the comments received were favorable. After careful consideration, it has been determined to adopt the amendment as proposed. Adoption of this amendment is in accord with the Stipulation and Order recently issued by the U.S. District Court (D. Minn.) in an action styled as *Bennett v. Butz*.

Accordingly, § 270.2(a) of Part 270 of Chapter II, Title 7, Code of Federal Regulations, is amended by adding at the end thereof a new sentence. The new sentence reads as follows:

§ 270.2 Definitions.

(a) * * * If the affidavit is not so included it shall be furnished along with such application.

* * * * *

(78 Stat. 703, as amended; 7 U.S.C. 2011–2026)

Effective date. This amendment shall become effective September 19, 1975.

(Catalog of Federal Domestic Assistance Programs No. 10.551, National Archives Reference Service)

Dated: September 12, 1975.

RICHARD L. FELTNER,
Assistant Secretary.

[FR Doc.75-24818 Filed 9-17-75;8:45 am]

[AMDT. No. 67]

PART 271—PARTICIPATION OF STATE AGENCIES AND ELIGIBLE HOUSEHOLDS

Pursuant to the authority contained in the Food Stamp Act of 1964, as amended (78 Stat. 703, as amended; 7 U.S.C. 2011–2026), regulations governing the operation of the Food Stamp Program are hereby amended.

Public Law 94–44, approved June 28, 1975, amended Public Law 93–233 to extend the eligibility of certain Supplemental Security Income recipients for food stamps through June 30, 1976.

By letter dated July 2, 1975, the Department was informed by Secretary Weinberger of the Department of Health, Education, and Welfare that recipients of SSI in Wisconsin would become eligible to participate in the Food Stamp Program effective September 1, 1975, because their State no longer elects to cash-out food stamps. Secretary Weinberger had previously determined by letters dated on January 25, 1974 and September 26, 1974, that Wisconsin met the cash-out criteria.

Subsequently, by court order of July 28, 1975, in *Elliot, et al.* v. *Weinberger, et al.*, E.D. Wisconsin Civil Action No. 75–C–360, this determination was ordered discontinued effective July 2, 1975. By the terms of that order, SSI recipients may qualify for food stamps beginning September 1, 1975, and will also receive credits against food stamp purchase requirements for benefits not received in July and August.

In view of (1) the fact that the amendment reflects statutory provisions and the determination of the Secretary of Health, Education, and Welfare made thereunder, (2) the court order, and (3) the need for issuing the amendment immediately, it is hereby determined that it is unnecessary and contrary to the public interest to give notice of proposed rulemaking with respect to the amendment.

Accordingly, Part 271 of Chapter II, Title 7, Code of Federal Regulations, is amended as follows:

§ 271.10 [Amended]

In § 271.10, paragraphs (a) and (c)(1)(i) are revised to read as follows:

(a) Notwithstanding any other provisions of this subchapter, recipients of supplemental security income (SSI) payments shall be treated according to the provisions of this section for purposes of determining eligibility for and certification in the program. The provisions of this section will expire June 30, 1976.

* * * * *

(c) *Food stamp eligibility of SSI recipients*—(1) *Ineligible SSI recipients.* (i) No SSI recipient shall be considered a household member or an elderly person for Food Stamp Program purposes if he resides in the States of California, Massachusetts, Nevada (only applies to aged and blind) or New York. The Secretary of Health, Education and Welfare has determined, pursuant to the provisions of Public Law 93–233, as amended, that such States provide State supplementary payments which have been specifically increased to include the value of bonus food coupons. For administrative purposes, no SSI recipient residing in Wisconsin shall be considered a household member or an elderly person for Food Stamp Program purposes through August 31, 1975. Notwithstanding any other provision of this subpart governing putting amendments into effect, effective September 1, 1975, the eligibility of an SSI receipient residing in Wisconsin to particpiate in the Food Stamp Program shall be determined in accordance with subparagraph 2 of this paragraph (c). SSI recipients in Wisconsin who choose to participate in the Food Stamp Program after September 1, 1975, shall receive credits against food stamp purchase requirements if they received SSI benefits in July or August 1975. These credits shall be in the amount of $10 per person for each of those two months during which SSI benefits were received.

(78 Stat. 703, as amended; 7 U.S.C. 2011–2026)

Effective date. This amendment shall become effective September 19, 1975.

(Catalog of Federal Domestic Assistance Programs No. 10.551, National Archives Reference Services)

Dated: September 12, 1975.

RICHARD L. FELTNER,
Assistant Secretary.

[FR Doc.75-24817 Filed 9-17-75;8:45 am]

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

[Valencia Orange Regulation 516]

PART 908—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Limitation of Handling

This regulation fixes the quantity of California-Arizona Valencia oranges that may be shipped to fresh market during the weekly regulation period Sept. 19–25, 1975. It is issued pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and Marketing Order No. 908. The quantity of Valencia oranges so fixed was arrived at after consideration of the total available supply of Valencia oranges, the quantity of Valencia oranges currently available for market, the fresh market demand for Valencia oranges, Valencia orange prices, and the relationship of season average returns to the parity price for Valencia oranges.

§ 908.816 Valencia Orange Regulation 516.

(a) *Findings*. (1) Pursuant to the marketing agreement, as amended, and Order No. 908, as amended (7 CFR Part 908), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the Act.

(2) The need for this regulation to limit the respective quantities of Valencia oranges that may be marketed from District 1, District 2, and District 3 during the ensuing week stems from the production and marketing situation confronting the Valencia orange industry.

(i) The committee has submitted its recommendation with respect to the quantities of Valencia oranges that should be marketed during the next succeeding week. Such recommendation, designed to provide equity of marketing opportunity to handlers in all districts, resulted from consideration of the factors enumerated in the order. The committee further reports that the fresh market demand for Valencia oranges continues to be good. Prices f.o.b. averaged $3.67 per carton on a reported sales volume of 695,000 cartons last week, compared with an average f.o.b. price of $3.76 per carton and sales of 650,000 cartons a week earlier. Track and rolling supplies at 369 cars were up 20 cars from last week.

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

(3) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this regulation until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 553) because the time intervening between the date when information upon which this regulation is based became available and the time 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 Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meting; 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 Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this regulation effective during the period herein specified; and compliance with this regulation will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on September 16, 1975.

(b) *Order*. (1) The respective quantities of Valencia oranges grown in Arizona and designated part of California which may be handled during the period September 19, 1975, through September 25, 1975, are hereby fixed as follows:

(i) District 1: 248,000 cartons;

(ii) District 2: 552,000 cartons;

(iii) District 3: "Unlimited movement."

(2) As used in this section, "handled", "District 1", "District 2", "District 3", and "carton" have the same meaning as when used in said amended marketing agreement and order. (Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: September 17, 1975.

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

[FR Doc.75-25118 Filed 9-17-75;11:16 am]

PART 981—ALMONDS GROWN IN CALIFORNIA

Expenses of the Almond Control Board, and Rate of Assessment, for the 1975–76 Crop Year

Notice of proposed expenses of the Almond Control Board, and rate of assessment, for the 1975–76 crop year was published in the August 18, 1975, issue of the FEDERAL REGISTER (40 FR 34605). This action is pursuant to §§ 981.80 and 981.81 of the marketing agreement, as amended, and Order No. 981, as amended (7 CFR Part 981; 40 FR 4416), regulating the handling of almonds grown in California. The amended marketing agreement and order are effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674).

The notice afforded interested persons an opportunity to submit written data, views, or arguments with respect to the proposal. None were received.

The proposal was based on a unanimous recommendation of the Almond Control Board. Expenses of the Almond Control Board for the 1975–76 crop year were proposed at $3,524,100. The assessment rate was proposed at 2.18 cents per pound of almonds (kernel weight basis).

It was also proposed that unexpended assessment funds in excess of expenses incurred during the 1974–75 crop year ended June 30, 1975, be retained in an operating reserve. This is in accordance with applicable provisions of §§ 981.80 and 981.81.

After consideration of all relevant matter presented, including that in the notice, the information and recommendation submitted by the Almond Control Board, and other available information, it is found that Subpart—Budget of Expenses and Rate of Assessment shall be amended.

It is further found that good cause exists for not postponing the effective time of this action until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 553) in that:

(1) The relevant provisions of said marketing agreement and this part require that the rate of assessment fixed for a particular crop year shall be applicable to all almonds received by handlers for their own accounts during such crop year; and (2) the current crop year began July 1, 1975, and the rate of assessment herein fixed will automatically apply to all such almonds beginning with that date.

Subpart—Budget of Expenses and Rate of Assessment is amended as follows:

§ 981.324 [Removed]

1. Section 981.324 is removed.

2. Section 981.325 is added to read as follows:

§ 981.325 Expenses of the Control Board and rate of assessment for the 1975–76 crop year.

(a) Expenses. Expenses in the amount of $3,524,100 are reasonable and likely to be incurred by the Control Board during the crop year beginning July 1, 1975, for its maintenance and functioning and for such purposes as the Secretary may, pursuant to the provisions of this part, determine to be appropriate.

(b) Rate of assessment. The rate of assessment for said crop year, payable by each handler in accordance with § 981.81, less any amount credited pursuant to § 981.41 but not to exceed 2 cents per pound of almonds (kernel weight basis), is fixed at 2.18 cents per pound of almonds (kernel weight basis).

(c) Unexpended assessment funds in excess of expenses incurred during the crop year ended June 30, 1975, shall be retained in an operating reserve fund in accordance with applicable provisions of §§ 981.80 and 981.81.

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

Dated: September 15, 1975.

FLOYD F. HEDLUND,
Director, Fruit and Vegetable Division.

[FR Doc.75-24918 Filed 9-17-75;8:45 am]

Title 14—Aeronautics and Space

CHAPTER I—FEDERAL AVIATION ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

[Docket No. 75-NW-16-AD; Amdt 39-2371]

PART 39—AIRWORTHINESS DIRECTIVES

Boeing Model 747 Series Airplanes

A proposal to amend Part 39 of the Federal Aviation Regulations to include an airworthiness directive requiring modification and inspection of certain flap components on Boeing Model 747 series airplanes was published in 40 FR 24914.

Interested persons have been afforded an opportunity to participate in the making of the amendment. Comments were received from operators and the manufacturer requesting the lubrication requirements be deleted from the AD since maintenance is primarily the operators' responsibility. They requested the repetitive inspection and lubrication period be set at a minimum of 400 flights. The operators additionally requested an extension to 800 flights before replacement of the stop bolts. Service experience has indicated a direct correlation between inspection and lubrication of the flap system and flap malfunction. Accordingly, the FAA does not concur with either of these comments since there have been reported instances of roller seizures and bolt failures at less than these intervals. Some operators requested permission to dispatch with a seized roller, providing proper inspection of all fore flap fittings and lubrication of the tracks is accomplished before each flight. The FAA concurs with this proposal, and a provision has been made in the rule to permit an airplane to continue in service for no more than 10 flights following such inspection and lubrication. Finally, a request was made to use operators average fleet time to determine the number of flights on an aircraft. The FAA has no objection and has incorporated this provision into the rule.

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

BOEING: Applies to all Boeing Model 747 series airplanes certificated in all categories. Compliance required as indicated unless already accomplished.

To prevent fore flap separations, accomplish the following:

A. Within the next 100 flights after the effective date of this AD, unless accomplished within the last 200 flights, and at intervals thereafter not to exceed 350 flights:

1. Inspect all fore flap track airload rollers for freedom of movement, and inspect upper and lower surfaces of the tracks and rollers for evidence of sliding. Inspect and lubricate rollers in accordance with procedures described in Boeing Service Bulletin 747-57-2107 dated November 3, 1972, or later FAA approved revisions, or the Boeing 747 Maintenance Manual. Replace any seized rollers before further flight unless, upon inspection:

(a) The fittings attaching the fore flap to the sequence carriage are found free of cracks.

(b) The exposed surfaces of the fore flap tracks are found free of galling.

(c) The flap is found free of any evidence of binding or racking.

If (a)-(c) are accomplished the airplane may continue in service for a maximum of 10 flights before the seized rollers are replaced, provided the fore flap tracks are lubricated prior to each flight.

2. Inspect the attach (sequence) fittings of the inboard trailing edge fore flap (P/N 65B39025-1 and -2 opposite, or 65B39025-3 or 65B02015-1 and -2 opposite inboard fitting) for cracks in accordance with Boeing Service Bulletins 747-57-2119, Revision 2, dated June 20, 1975, and 747-57-2088, Revision 2, dated June 30, 1975, or later FAA approved revisions, or in a manner approved by the Chief, Engineering and Manufacturing Branch, FAA Northwest Region. Replace any cracked fittings before further flight.

3. Inspect the outboard fore flap inboard carriage frame for cracks in accordance with Boeing Service Bulletin 747-57-2126, Revision 2, or later FAA approved revisions, or in a manner approved by the Chief, Engineering and Manufacturing Branch, FAA Northwest Region. Parts found cracked which are within the limits of Figure 1, Part III of Boeing Service Bulletin 747-57-2126, may be repaired in accordance therewith and reinspected at intervals not to exceed 40 landings. If cracks exceed the limits given in Boeing Service Bulletin 747-57-2126, replace the fitting before further flight.

B. Unless already accomplished, within the next 350 flights after the effective date of this AD:

Remove the existing steel bolts attaching the fore flap carriage stop to the flap tracks on the outboard flaps and install new bolts with sealant in accordance with Boeing Service Bulletin 747-57-2128, Revision 1, dated April 25, 1975, or later FAA approved revisions.

C. 1. Inspections required under paragraph A2 may revert to the normal inspection interval upon installation of the redesigned fittings specified in Boeing Service Bulletin 747-57-2119, Revision 2, dated June 20, 1975, or later FAA approved revisions.

2. Inspections required under paragraph A3 may revert to the normal inspection interval upon installation of the redesigned fitting in accordance with Boeing Service Bulletin 747-57-2126, or fitting P/N 65B17196-4, or a later FAA approved part.

D. Upon request of the operator, an FAA maintenance inspector, subject to prior approval of the Chief, Engineering and Manufacturing Branch, FAA Northwest Region, may adjust the repetitive inspection intervals specified in this AD to permit compliance at an established inspection period of the operator, if the request contains substantiating data to justify the adjustment period. Fleet average flight time may be used to calculate the number of flights.

The manufacturer's specifications and procedures identified and described in this directive are incorporated herein and made a part hereof pursuant to 5 U.S.C. 552(a)(1).

All persons affected by this directive who have not already received these documents from the manufacturer may obtain copies upon request to Boeing Commercial Airplane Company, P.O. Box 3707, Seattle, Washington 98124. The documents may also be examined at FAA Northwest Region, 9010 East Marginal Way South, Seattle, Washington.

This amendment becomes effective October 24, 1975.

This amendment is made under the authority of sections 313(a), 601, and 603 of the Federal Aviation Act of 1958 (49 U.S.C. 1354(a), 1421, and 1423) and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Seattle, Washington, September 10, 1975.

C. B. WALK, Jr.,
Director, Northwest Region.

NOTE: The incorporation by reference provisions in the document were approved by the Director of the Federal Register on June 19, 1967.

[FR Doc.75-24779 Filed 9-17-75;8:45 am]

[Airspace Docket No. 75-RM-21]

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

Alteration of Transition Area

On June 27, 1975, a Notice of Proposed Rule Making was published in the FEDERAL REGISTER (40 FR 27244) stating that the Federal Aviation Administration was considering an amendment to Part 71 of the Federal Aviation Regulations that would alter the transition area at Rock Springs, Wyoming.

Interested persons were given 30 days in which to submit written comments, suggestions or objections. No objections have been received and the proposed amendment is hereby adopted without change.

Effective date. This amendment shall be effective 0901 G.m.t., December 4, 1975.

This amendment is issued under the authority of section 307(a) of the Federal Aviation Act of 1958, as amended, (49 U.S.C. 1348(a)), and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1655(c)).

Issued in Aurora, Colorado, on September 18, 1975.

M. M. MARTIN,
Director, Rocky Mountain Region.

In Federal Aviation Regulation § 71.181 (40 FR 441) the description of the Rock Springs, Wyoming 700 foot transition area, as amended by Docket 75-RM-11 (40 FR 23724) is further amended to read as follows:

That airspace extending upward from 700 feet above the surface within a 11.5 mile radius of the Rock Springs-Sweetwater

County Airport (latitude 41°35'45" N., longitude 109°04'00" W.), within 9.5 miles north and 4.5 miles south of the 090° and 270° bearings from the Thayer LOM (latitude 41°35'49" N., longitude 108°58'09" W.) extending from the 11.5 mile radius area to 18.5 miles east of the Thayer LOM and from the 11.5 mile radius area to 29.5 miles west of the Thayer LOM; and within one mile north and 6 miles south of the Rock Springs VORTAC 102° radial extending from the 11.5 mile radius area to 18.5 miles east of the VORTAC.

[FR Doc.75-24781 Filed 9-17-75; 8:45 am]

[Airspace Docket No. 75-CE-6]

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

Designation, Alteration and Revocation of Transition Area

On Page 32320 of the FEDERAL REGISTER dated August 1, 1975, the Federal Aviation Administration published a Rule amending Section 71.181 of the Federal Aviation Regulations which extended a 1200-foot floor controlled airspace to cover the entire States of Kansas and Nebraska. As a part of that rule making action the Valentine, Sidney, and Ogallala, Nebraska, 1200-foot floor transition areas were inadvertently revoked in their entirety. The transition area designations at these three locations contained small areas of 1200-foot floor controlled airspace in either South Dakota or Colorado. These areas are necessary to provide controlled airspace to protect aircraft executing the affected instrument approach procedures. Accordingly, action is taken herein to redesignate transition areas at Ogallala, Sidney, and Valentine, Nebraska, so as to include the Colorado and South Dakota 1200-foot floor airspace.

Since this amendment corrects an error and is clarifying in nature, it imposes no additional burden on any persons, notice and public procedure hereon are unnecessary.

In consideration of the foregoing the 1200-foot floor designations previously deleted at Valentine, Sidney, and Ogallala, Nebraska, as set forth in Airspace Docket No. 75-CE-6, are herein redesignated to read as follows:

In § 71.181 (40 FR 441) the following transition areas are amended to read:

OGALLALA, NEBRASKA

That airspace extending upward from 700 feet above the surface within an 8.5 mile radius of the Searle Airport (latitude 41°07'00" N., longitude 101°46'00" W.); and that airspace within the state of Colorado extending upward from 1,200 feet above the surface within 9.5 miles south and 4.5 miles north of the 252° bearing from the airport extending to 18.5 miles west.

SIDNEY, NEBRASKA

That airspace extending upward from 700 feet above the surface within a 10-mile radius of Sidney Municipal Airport (latitude 41°05'55" N., longitude 102°58'55" W.); within 5 miles NE and 8 miles SW of the Sidney VORTAC 321° radial, extending from the 10-mile radius area to 12 miles NW of the VORTAC; and that airspace in the state of Colorado extending upward from 1,200 feet above the surface within 5 miles SW and 8 miles NE of the Sidney VORTAC 128° radial, extending from the VORTAC to 12 miles southeast of the VORTAC.

VALENTINE, NEBRASKA

That airspace extending upward from 700 feet above the surface within a 9-mile radius of the Miller Field Airport (latitude 42°51'25" N., longitude 100°32'50" W.); and that airspace in the state of South Dakota extending upward from 1,200 feet above the surface within 5 miles each side of the 325° bearing from the Miller Field Airport within 12 miles northwest of the airport.

These amendments are made under the authority of section 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348), and of section 6(c) of the Department of Transportation Act (49 U.S.C. 1611 (c)).

Issued in Kansas City, on September 3, 1975.

C. R. MELUGIN, Jr.,
Director,
Central Region.

[FR Doc.75-24780 Filed 9-17-75;8:45 am]

[Docket No. 14977; Amdt. No. 986]

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

Recent Changes and Additions

This amendment to Part 97 of the Federal Aviation Regulations incorporates by reference therein changes and additions to the Standard Instrument Approach Procedures (SIAPs) that were recently adopted by the Administrator to promote safety at the airports concerned.

The complete SIAPs for the changes and additions covered by this amendment are described in FAA Forms 8260-3, 8260-4, or 8260-5 and made a part of the public rule making dockets of the FAA in accordance with the procedures set forth in Amendment No. 97-696 (35 FR 5609).

SIAPs are available for examination at the Rules Docket and at the National Flight Data Center, Federal Aviation Administration, 800 Independence Avenue, S.W., Washington, D.C. 20591. Copies of SIAPs adopted in a particular region are also available for examination at the headquarters of that region. Individual copies of SIAPs may be purchased from the FAA Public Information Center, AIS-230, 800 Independence Avenue, S.W., Washington, D.C. 20591 or from the applicable FAA regional office in accordance with the fee schedule prescribed in 49 CFR 7.85. This fee is payable in advance and may be paid by check, draft, or postal money order payable to the Treasurer of the United States. A weekly transmittal of all SIAP changes and additions may be obtained by subscription at an annual rate of $150.00 per annum from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Additional copies mailed to the same address may be ordered for $30.00 each.

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

In consideration of the foregoing, Part 97 of the Federal Aviation Regulations is amended as follows, effective on the dates specified:

1. Section 97.23 is amended by originating, amending, or canceling the following VOR-VOR/DME SIAPs, *effective October 30, 1975.*

Charlotte, MI—Fitch H. Beach Arpt., VOR Rwy 20, Amdt. 3.
Evansville, IN—Evansville Dress Regional Arpt., VOR Rwy 4, Amdt. 7, Canceled.
Evansville, IN—Evansville Dress Regional Arpt., VOR-B, Orig.
Firebaugh, CA—Firebaugh Arpt., VOR/DME-A, Orig.
Frankfort, IL—Frankfort Arpt., VOR Rwy 27, Amdt. 1.
Gallatin, TN—Gallatin Municipal Arpt., VOR/DME-A, Amdt. 2.
Jackson, MS—Allen C. Thompson Field, VOR Rwy 15R(TAC) Amdt. 3.
Litchfield, MN—Litchfield Municipal Arpt., VOR Rwy 15, Orig.
Litchfield, MN—Litchfield Municipal Arpt., VOR Rwy 33, Amdt. 1.
Pell City, AL—St. Clair County Arpt., VOR-A, Amdt. 3.

2. Section 97.25 is amended by originating, amending, or canceling the following SDF-LOC-LDA SIAPs, *effective October 30, 1975.*

Grant Junction, CO—Walker Field, LOC Rwy 11, Orig.
Jefferson City, MO—Jefferson City Memorial Arpt., SDF Rwy 30, Amdt. 3.

. . . effective October 23, 1975.

New Orleans, LA—New Orleans Int'l (Moisant Field), LOC(BC) Rwy 28, Amdt. 6.

. . . effective October 2, 1975.

San Diego, CA—Gillespie Field, LOC-D, Amdt. 1.

3. Section 97.27 is amended by originating, amending, or canceling the following NDB/ADF SIAPs, *effective October 30, 1975.*

Jefferson City, MO—Jefferson City Memorial Arpt., NDB Rwy 30, Amdt. 2.
Grand Junction, CO—Walker Field, NDB Rwy 11, Amdt. 13.

. . . effective October 23, 1975.

Black River Falls, WI—Black River Falls Area Arpt., NDB Rwy 26, Orig.

4. Section 97.29 is amended by originating, amending, or canceling the following ILS SIAPs, *effective October 30, 1975.*

Columbia, SC—Columbia Metropolitan Arpt., ILS Rwy 11, Amdt. 7.
Grand Junction, CO—Walker Field, ILS Rwy 11, Amdt. 6.

. . . effective October 2, 1975.

Boston, MA—Gen. Edward Lawrence Logan Int'l Arpt., ILS Rwy 33L, Amdt. 11.
Mt. Vernon, IL—Mt. Vernon-Outland Arpt., ILS Rwy 23, Orig.
Raleigh, NC—Raleigh-Durham Arpt., ILS Rwy 23, Orig.

Correction: In Docket No. *14942*, Amendment *983*, to Part 97 of the Federal Aviation Regulations published in the FEDERAL REGISTER dated *August 28, 1975*, on page 39496, under Section 97.29, effective October 9, 1975—change effective date of Aniak, AK—Aniak Arpt., ILS/DME Rwy 10 Orig, to *December 4, 1975*.

These amendments are made effective under the authority of Sections 307, 313, 601, 1110, Federal Aviation Act of 1958; 49 U.S.C. 1438, 1354, 1421, 1510, and section 6(c) Department of Transportation Act, 49 U.S.C. 1655(c).

Issued in Washington, D.C., on September 11, 1975.

JAMES M. VINES,
Chief,
Aircraft Programs Division.

NOTE: Incorporation by reference provisions in §§ 97.10 and 97.20 approved by the Director of the Federal Register on May 12, 1969 (35 FR 5610).

[FR Doc. 75-24782 Filed 9-17-75;8:45 am]

Title 19—Customs Duties

CHAPTER I—UNITED STATES CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

[T.D. 75-230]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

Articles Assembled Abroad with U.S. Components

On July 5, 1974, a notice of proposed rulemaking pertaining to amendments to Part 10 of the Customs Regulations (19 CFR Part 10) relating to the partial exemption from duty provided by item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), for articles which are assembled abroad in whole or in part of fabricated United States components, was published in the FEDERAL REGISTER (39 FR 24651). Interested persons were given 60 days from the date of publication of the notice in which to submit relevant written data, views, or arguments regarding the proposed amendments.

After consideration of the numerous comments received, the following changes have been made in the amended provisions originally proposed:

1. Section 10.11 was rewritten to explain the difference between interpretative and procedural regulations. Further, the numbering of the sections was changed and the sections were so organized that their sequence reflects the difference between interpretative and procedural matters.

2. The definitions of the term "Not advanced in value or improved in condition", "Physical identity", and "Without further fabrication", which were contained in proposed § 10.12, have been deleted. However, their use has been retained in the substance of the interpretative regulations, where their meaning is clear within the technical context of the particular section.

3. Additional examples to illustrate specific situations involving the applicability of the exemption provided for under item 807.00, Tariff Schedules of the United States, have been included after several of the proposed sections.

4. After review of several lengthy and significant comments objecting to the basis upon which intangible assists were to be handled under the proposed regulations, it has been determined that further study of this matter is required. Therefore, proposed § 10.23(f), relating to the element of assists, has been deleted. When this question has been fully resolved, a notice of proposed rulemaking will be published in the FEDERAL REGISTER giving interested persons ample opportunity in which to submit relevant written data, views or arguments regarding the proposed amendments.

5. Section 10.24(a)(2) (formerly § 10.17(a)(2) of the proposed amendments) has been changed by deleting the sentence requiring the endorsement to be signed by the actual importer when the importer of record is a customhouse broker. This will allow a customhouse broker to sign the endorsement on behalf of the actual importer. However, as stated in § 10.24(g) (formerly § 10.17(g)), the importer retains the responsibility for the correctness of the information presented.

6. Section 10.24(d) (formerly § 10.17(d)) has been changed to permit the district director to waive certain specified details normally required in the documentation submitted at the time of each entry, if he is satisfied that the importer and assembler have established reliable controls to insure that all components for which the exemption provided for by item 807.00, Tariff Schedules of the United States, is claimed are in fact products of the United States. This addition was necessary because where large quantities of United States components are purchased from various sources or exported at various ports and dates on a continuing basis, it is impracticable to identify the exact source, port, and date of export for each particular component included in an entry of merchandise claimed to be the subject of the exemption under item 807.00, Tariff Schedules of the United States.

7. Proposed § 10.25, relating to advice before importation has been omitted in its entirety because most of its content was determined not to be a proper subject of these regulations.

8. The proposed amendment to § 10.112 which would have provided an exception to the section by requiring certain documents to be filed within six months after the entry of assembled articles claimed to be entitled to the exemption provided for in item 807.00, Tariff Schedules of the United States, has been withdrawn because it would impose an unnecessary burden upon the importing public. The references to this requirement which were found in paragraphs (a) and (d) of § 10.17 have also been deleted.

In addition to the above changes, a number of editorial corrections have been made in the text. Further, certain sections of the proposed regulations have been renumbered or otherwise modified, necessitating additional conforming changes. The authority provision for Part 10 has also been amended to include specific authority for these regulations.

Accordingly, Part 10 of the Customs Regulations (19 CFR Part 10) is amended by deleting § 10.2, by amending the authority provision, and by adding a new centerhead and §§ 10.11 through 10.24 to read as set forth below.

Effective date. These amendments shall become effective October 20, 1975.

VERNON D. ACREE,
Commissioner of Customs.

Approved: September 9, 1975.

DAVID R. MACDONALD,
Assistant Secretary of the Treasury.

1. Part 10 of the Customs Regulations is amended by revising the authority provision to read as follows:

AUTHORITY: The provisions of this Part 10 issued under R.S. 251, as amended, sec. 624, 46 Stat. 759, 77A Stat. 14; 5 U.S.C. 301, 19 U.S.C. 66, 1202 (General Headnote 11, Tariff Schedules of the United States), 1624. Secs. 10.11 through 10.24 also issued under sec. 502, 46 Stat. 731, as amended, 77A Stat. 14; 19 U.S.C. 1202 (General Headnote 12, Tariff Schedules of the United States), 1502. Additional authority and statutes interpreted or applied are cited in the text or following the sections affected.

§ 10.2 [Removed]

2. Part 10 of the Customs Regulations is further amended by deleting § 10.2 and by adding a new centerhead and §§ 10.11 through 10.24 to read as follows:

ARTICLES ASSEMBLED ABROAD WITH UNITED STATES COMPONENTS

ARTICLES ASSEMBLED ABROAD WITH UNITED STATES COMPONENTS

§ 10.11 General.

(a) Section 10.12 through 10.23 set forth definitions and interpretative regulations adopted by the Commissioner of Customs pertaining to the construction of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202) and related provisions of law. These provisions concern claims for the exemption from duty provided by item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), for American-made fabricated components which are returned to the United States as parts of articles assembled abroad. The examples included in these sections describe specific situations in which the exemption may or may not be applicable. The definitions and regulations that follow are promulgated to inform the public of the constructions and interpretations that the United States Customs Service shall give to relevant statutory terms and to assure the impartial and uniform assessment of duties upon merchandise claimed to be partially exempt from duty under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), at the various ports of entry. Nothing in these regulations purports or is intended to restrict the legal right of importers or others to a judicial review of the matters contained therein.

(b) Section 10.24 sets forth the documentary requirements applicable to the entry of assembled articles claimed to be subject to the exemption provided under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202). Allowance of an importer's claim is dependent upon meeting the statutory requirements for the exemption under item 807.00 and his complying with the documentary requirements set forth in § 10.24.

§ 10.12 Definitions.

As used in §§ 10.11 through 10.24, the following terms shall have the meanings indicated:

(a) *American-made*. The term "American-made" is used to refer to a product of the United States as defined in paragraph (e) of this section.

(b) *Assembly*. "Assembly" means the fitting or joining together of fabricated components.

(c) *Exemption*. "Exemption" means the deduction of the cost or value of products of the United States which were assembled abroad in accordance with the requirements of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), from the full value of the assembled article.

(d) *Fabricated component*. "Fabricated component" means a manufactured article ready for assembly in the condition as exported except for operations incidental to the assembly.

(e) *Product of the United States*. A "product of the United States" is an article manufactured within the Customs territory of the United States and may consist wholly of United States components or materials, of United States and foreign components or materials, or wholly of foreign components or materials. If the article consists wholly or partially of foreign components or materials, the manufacturing process must be such that the foreign components or materials have been substantially transformed into a new and different article, or have been merged into a new and different article.

§ 10.13 Statutory provision: Item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202).

Item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), provides that articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported in condition ready for assembly without further fabrication, (b) have not lost their physical identity in such articles by change in form, shape, or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating, and painting, are subject to a duty upon the full value of the imported article, less the cost or, if no charge is made, the value of such products of the United States. The rate of duty which is assessed upon the dutiable portion of the imported article is that which is applicable to the imported article as a whole under the appropriate provision of the Tariff Schedules of the United States (19 U.S.C. 1202) for such article. If that provision requires a specific or compound rate of duty, the total duties assessed on the imported article are reduced in such proportion as the cost or value of the returned United States components which qualify for the exemption bears to the full value of the assembled article.

Example 1. A transistor radio is assembled abroad from foreign-made components and American-made transistors. Upon importation, the transistor radio is subject to the ad valorem rate of duty applicable to transistor radios upon the value of the radio less the cost or value of the American-made transistors assembled therein.

Example 2. A solid-state watch movement is assembled abroad from foreign-made components and an American-made integrated circuit. If the movement in question is subject to the specific rate of duty of 75 cents, if the value of the assembled movement is $30, and if the value of the American-made integrated circuit is $10, then the value of the integrated circuit represents one third of the total value of the assembled article and the duty on the assembled article will be reduced by one third ($.25). Therefore, the duty on the assembled movement is 50 cents.

§ 10.14 Fabricated components subject to the exemption.

(a) *Fabricated components, the product of the United States*. Except as provided in § 10.15, the exemption provided under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), applies to fabricated components, the product of the United States. The components must be in condition ready for assembly without further fabrication at the time of their exportation from the United States to qualify for the exemption. Components will not lose their entitlement to the exemption by being subjected to operations incidental to the assembly either before, during, or after their assembly with other components. Materials undefined in final dimensions and shapes, which are cut into specific shapes or patterns abroad are not considered fabricated components.

Example 1. Articles identifiable in their exported condition as components or parts of the article into which they will be assembled, such as transistors, diodes, integrated circuits, machinery parts, or precut parts of wearing apparel, are regarded as fabricated components.

Example 2. Prestamped metal lead frames for semiconductor devices exported in multiple unit strips in which the individual frame units are connected to each other, or integrated circuit wafers containing individual integrated circuit dice which have been scribed or scored in the United States, are regarded as fabricated components. The separation of the individual frames by cutting, or the segmentation of the wafer into individual dice by flexing and breaking along scribed or scored lines, is regarded as an operation incidental to the assembly process.

Example 3. Wires of various type, electrical conductors, metal foils, insulating tapes, ribbons, findings used in dressmaking, and similar products, which are in a finished state when exported from the United States, and are ready for use in the assembly of the imported article, are regarded as fabricated components if they are only cut to length or subjected to operations incidental to the assembly process while abroad.

Example 4. Uncut textile fabrics exported in bolts from which wearing apparel components will be cut according to a pattern are not regarded as fabricated components. Similarly, other materials, such as lumber, leather, sheet metal, plastic sheeting, exported in basic shapes and forms to be fabricated into components for assembly, are not eligible for treatment as fabricated components.

(b) *Substantial transformation of foreign-made articles or materials*. Foreign-made articles or materials may become products of the United States if they undergo a process of manufacture in the United States which results in their substantial transformation. Substantial transformation occurs when, as a result of manufacturing processes, a new and different article emerges, having a distinctive name, character, or use, which is different from that originally possessed by the article or material before being subjected to the manufacturing process. The mere finishing or modification of a partially or nearly complete foreign product in the United States will not result in the substantial transformation of such product and it remains the product of a foreign country.

Example 1. A cast metal housing for a valve is made in the United States from imported copper ingots, the product of a foreign country. The housing is a product of the United States because the manufacturing operations performed in the United States to produce the housing resulted in a substantial transformation of the foreign copper ingots.

Example 2. An integrated circuit device is assembled in a foreign country and imported into the United States where its leads are formed by bending them to a specified angle. It is then tested and marked. The imported article does not become a product of the United States because the operations performed in the United States do not result in a substantial transformation of the foreign integrated circuit device.

Example 3. A circuit board assembly for a computer is assembled in the United States by soldering American-made and foreign-made components onto an American-made printed circuit board. The finished circuit board assembly has a distinct electronic function and is ready for incorporation into the computer. The foreign-made components have undergone a substantial transformation by becoming permanent parts of the circuit board assembly. The circuit board assembly, including all of its parts is regarded as a fabricated component, the product of the United States, for purposes of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202).

§ 10.15 Fabricated components not subject to the exemption.

Fabricated components which are not products of the United States are excluded from the exemption. In addition, the exemption is not applicable to any component exported from the Customs territory of the United States:

(a) From continuous Customs custody with remission, abatement, or refund of duty;

(b) With benefit of drawback;

(c) To comply with any law of the United States or regulation of any Federal agency requiring exportation; or

(d) After manufacture or production in the United States under item 864.05, Tariff Schedules of the United States (19 U.S.C. 1202).

Example. Partially completed components of an electric motor are imported in several separate shipments and are entered under a temporary importation bond to be manufactured into finished motors under the provisions of item 864.05, Tariff Schedules of the United States (19 U.S.C. 1202). The components are completed and assembled into finished electric motors. The finished motors are exported and are assembled abroad into electric fans which are subsequently imported into the United States. Irrespective of the fact that the assembly of the motors might involve such a substantial change that the motor could be considered a product of the United States, no exemption may be given for the value of the electric motors, since they were exported after manufacture or production in the United States under the provision of item 864.05, Tariff Schedules of the United States (19 U.S.C. 1202).

§ 10.16 Assembly abroad.

(a) *Assembly operations.* The assembly operations performed abroad may consist of any method used to join or fit together solid components, such as welding, soldering, riveting, force fitting, gluing, laminating, sewing, or the use of fasteners, and may be preceded, accompanied, or followed by operations incidental to the assembly as illustrated in paragraph (b) of this section. The mixing or combining of liquids, gases, chemicals, food ingredients, and amorphous solids with each other or with solid components is not regarded as an assembly.

Example 1. A television yoke is assembled abroad from American-made magnet wire. In the foreign assembly plant the wire is despooled and wound into a coil, the wire cut from the spool, and the coil united with other components, including a terminal panel and housing which are also American-made. The completed article upon importation would be subject to the ad valorem rate of duty applicable to television parts upon the value of the yoke less the cost or value of the American-made wire, terminal panel and housing, assembled therein. The winding and cutting of the wire are either assembly steps or steps incidental to assembly.

Example 2. An aluminum electrolytic capacitor is assembled abroad from American-made aluminum foil, paper, tape, and Mylar film. In the foreign assembly plant the aluminum foil is trimmed to the desired width, cut to the desired length, interleaved with paper, which may or may not be cut to length or despooled from a continuous length, and rolled into a cylinder wherein the foil and paper are cut and a section of sealing tape fastened to the surface to prevent these components from unwinding. Wire or other electric connectors are bonded at appropriate intervals to the aluminum foil of the cylinder which is then inserted into a metal can, and the ends closed with a protective washer. As imported, the capacitor is subject to the ad valorem rate of duty applicable to capacitors upon the value less the cost or value of the American-made foil, paper, tape, and Mylar film. The operations performed on these components are all either assembly steps or steps incidental to assembly.

Example 3. The manufacture abroad of cloth on a loom using thread or yarn exported from the United States on spools, cops, or pirns is not considered an assembly but a weaving operation, and the thread or yarn does not qualify for the exemption. However, American-made thread used to sew buttons or garment components is qualified for the exemption because it is used in an operation involving the assembly of solid components.

(b) *Operations incidental to the assembly process.* Operations incidental to the assembly process whether performed before, during, or after assembly, do not constitute further fabrication, and shall not preclude the application of the exemption. The following are examples of operations which are incidental to the assembly process:

(1) Cleaning;

(2) Removal of rust, grease, paint, or other preservative coating;

(3) Application of preservative paint or coating, including preservative metallic coating, lubricants, or protective encapsulation;

(4) Trimming, filing, or cutting off of small amounts of excess materials;

(5) Adjustments in the shape or form of a component to the extent required by the assembly being performed abroad;

(6) Cutting to length of wire, thread, tape, foil, and similar products exported in continuous length; separation by cutting of finished components, such as prestamped integrated circuit lead frames exported in multiple unit strips; and

(7) Final calibration, testing, marking, sorting, pressing, and folding of assembled articles.

(c) *Operations not incidental to the assembly process.* Any significant process, operation, or treatment other than assembly whose primary purpose is the fabrication, completion, physical or chemical improvement of a component, or which is not related to the assembly process, whether or not it effects a substantial transformation of the article, shall not be regarded as incidental to the assembly and shall preclude the application of the exemption to such article. The following are examples of operations not considered incidental to the assembly as provided under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202):

(1) Melting of exported ingots and pouring of the metal into molds to produce cast metal parts;

(2) Cutting of garment parts according to pattern from exported material;

(3) Painting primarily intended to enhance the appearance of an article or to impart distinctive features or characteristics;

(4) Chemical treatment of components or assembled articles to impart new characteristics, such as showerproofing, permapressing, sanforizing, dying or bleaching of textiles;

(5) Machining, polishing, burnishing, peening, plating (other than plating incidental to the assembly), embossing, pressing, stamping, extruding, drawing, annealing, tempering, case hardening, and any other operation, treatment or process which imparts significant new characteristics or qualities to the article affected.

(d) *Joining of American-made and foreign-made components.* An assembly operation may involve the use of American-made components and foreign-made components. The various requirements for establishing entitlement to the exemption apply only to the American-made components of the assembly.

Example. Diodes are assembled abroad from American-made components. The process includes the encapsulation of the assembled components in a plastic shell. The plastic used for the encapsulation is in the form of a pellet, and is of foreign origin. After the prefabricated diode components are assembled, the assembled unit is placed in a transfer molding machine, where, by use of the pellet, molten epoxy is caused to flow around the perimeters of the assembled components, forming upon solidification a plastic body for the diode. Upon importation, exemption may be granted for the value of the American-made components, but not for the value of the plastic pellet. If the plastic pellet used for encapsulation was of United States origin, its value would still be a part of the dutiable value of the diode, because the plastic pellet is not a fabricated component of a type designed to be fitted together by assembly, but merely a premeasured quantity of material which was applied to the assembled unit by a process not constituting an assembly.

(e) *Subassembly.* An assembly operation may involve the joining or fitting of American-made components into a part or subassembly of an article, followed by the installation of the part or subassembly into the complete article.

Example. Rolls of foil and rolls of paper are exported and cut to specific length abroad and interleaved and rolled to form the electrodes and dielectric of a capacitor. Following this procedure, the rolls are assembled with cans and other parts to form a complete capacitor. The foil and paper are entitled to the exemption.

(f) *Packing.* The packing abroad of merchandise into containers does not in itself qualify either the containers or their contents for the exemption. However, assembled articles which otherwise qualify for the exemption and which are packaged abroad following their assembly will not be disqualified from the exemption by reason of their having been so packaged, whether for retail sale or for bulk shipment. The tariff status of the packing materials or containers will be determined in accordance with General Headnote 6, Tariff Schedules of the United States (19 U.S.C. 1202).

§ 10.17 Valuation of exempted components.

The value of fabricated components to be subtracted from the full value of the assembled article is the cost of the components when last purchased, f.o.b. United States port of exportation or point of border crossing as set out in the invoice and entry papers, or, if no purchase was made, the value of the components at the time of their shipment for exportation, f.o.b. United States port of exportation or point of border crossing, as set out in the invoice and entry papers. However, if the appraising officer concludes that the cost or value of the fabricated components so ascertained does not represent a reasonable cost or value, then the value of the components shall be determined in accordance with section 402 or section 402a, Tariff Act of 1930, as amended (19 U.S.C. 1401a, 1402).

§ 10.18 Valuation of assembled articles.

(a) *Statutory basis used in valuation.* As in the case of the appraisement of any other imported merchandise (see subpart C of Part 152 of this chapter), the full value of assembled articles imported under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), is determined in accordance with the appropriate statutory basis.

(b) *Use of constructed value or cost of production as basis for valuation.* A preponderance of the merchandise entitled to the item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), exemption, is appraised on the basis of constructed value or cost of production.

(1) *Constructed value.* Constructed value is the statutory basis of appraisement authorized by section 402(d), Tariff Act of 1930, as amended (19 U.S.C. 1401a(d)), and is applicable to imported articles which are not on a list compiled by the Department of the Treasury, known as the "final list" (T.D. 54521).

(2) *Cost of production.* Cost of production is the statutory basis of appraisement authorized by section 402a(f), Tariff Act of 1930, as amended (19 U.S.C. 1402(f)), and is applicable to imported articles which are on the "final list" (T.D. 54521).

§ 10.19 Elements involved in determining constructed value or cost of production.

Both constructed value and cost of production of assembled articles are determined from the following cost data:

(a) *Cost of materials.* The cost of materials to be reported in connection with a claim for an item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), exemption, where constructed value or cost of production is the basis of appraisement includes, but is not limited to:

(1) The cost or value of all American-made components and other American-made materals f.o.b. the United States port of exportation or point of border crossing. If these items were purchased, there should be included, in addition to the purchase price, all costs incurred up to the time of the items' arrival at the port of exportation, such as packing, freight, insurance, warehousing, sorting, and repacking. If the items were not purchased, the estimated market value f.o.b. port of exportation or point of border crossing shall be used, based on the normal selling price to independent purchasers or other available market information. If market value information is not available, the value of the items shall be the sum of all costs incurred in producing the items, including general expenses, an amount for profit, and all costs incurred from the time the items are completed to the time they arrive at the port of exportation or point of border crossing.

(2) Freight, insurance, lading and unlading, and other costs incurred in transporting the American-made components and materials from the port of exportation or point of border crossing to the assembler's plant;

(3) The cost or value of all other components and materials added in the country of assembly as well as the costs incurred in transporting these components and materials to the assembler's plant, including packing, freight, insurance, and lading and unlading;

(4) The value of waste or spoilage, including scrap, such as trimmings, cuttings, and turnings from a lathe, and United States components delivered to the assembler and found to be unusable. The value of waste or spoilage shall be determined from the actual cost of the materials less the market value of recovered scrap or rejected components. Where the assembler returns rejected components to its supplier and receives credit for the rejected components so returned, the credit received by the assembler may be applied as an offset against the assembler's cost of materials; and

(5) Taxes on materials assessed by the country of assembly, but remitted or refunded upon exportation of the finished articles from the country of assembly, such as sales taxes and value added taxes. Such taxes are included under the cost of materials when cost of production is the basis of valuation, but are excluded when constructed value is the basis of valuation.

(b) *Cost of fabrication.* The cost of fabrication of an assembled article includes, but is not limited to:

(1) All actual labor costs involved in the assembly operations, including fringe benefits such as paid holidays, vacations, social security, school taxes, seventh-day pay, on-the-job training, housing allowance, and idle time. Deviation from normal production efficiency to adjust for actual production should be reflected, if necessary, to insure that the total actual labor costs incurred in the assembly are shown in the cost data sheets. For instance, if the efficiency of the production workers does not meet projected expectations, with a consequent increase in unit labor costs, the increased costs should be reflected in the cost data furnished Customs. The costs of engineering, supervisory functions, quality control, and similar personnel expenses shall be included;

(2) Cost of dies, molds, tooling, special machinery, and similar equipment costs which are allocable to the particular merchandise under consideration (as opposed to general costs for plant equipment or machinery, which are included under general expenses);

(3) Costs of research, development, design, engineering, and blueprints, except where they are directly allocable to American-made components. Where they are directly allocable to American-made components they are to be included in the value of those components, and are not to be included in the cost of fabrication.

(4) Costs of inspecting and testing by the assembler; and

(5) Costs of subcontract work, including the general expenses and profit involved in such work, when a foreign assembler has a portion of the assembly work accomplished by a subcontractor. These costs are considered to be part of the cost of fabrication to the foreign assembler.

(c) *General expenses.* General expenses, which are all of the assembler's expenses other than the cost of components, materials, fabrication, and packaging, include, but are not limited to:

(1) Building rent or depreciation;

(2) Costs for utilities, including heat, light, power, and water;

(3) Telephone, telegraph, and cable costs;

(4) Depreciation of machinery and equipment other than dies, molds, tooling, special machinery, and similar equipment allocable to the particular merchandise under consideration;

(5) Expenses for maintenance, repairs, and renewals;

(6) Fire and liability insurance costs;

(7) Taxes on buildings;

(8) Factory storage costs;

(9) Expenses for office and factory supplies;

(10) Administration salaries and expenses (executives', managers', and office workers' salaries), and salesmen's salaries, commissions, and expenses;

(11) Travel expenses;

(12) Advertising expenses;

(13) Licensing fees paid to a foreign government;

(14) Legal expenses;

(15) Nonrefundable expenses relating to the importation of articles into a foreign country, such as foreign brokerage fees;

(16) Auditing expenses of the foreign assembly operation;

(17) Start up costs (other than on-the-job training costs). These include legal fees for the consultant or entrepreneur, a fee for setting up the assembler corporation, costs for construction of buildings and installation of manufacturing machinery, engineering fees and material costs to acquire electricity or other power for the plant, fees for the issuance of any permits required, the cost of a bond given to show good faith, charges for telephone service, roads and rail spurs, charges for securing a labor force as well as for their pre-training, costs of trusts established to satisfy foreign ownership, the cost of a plant bond to insure exportation of all materials imported into a foreign country for assembly and to insure return of all im-

ported machinery, and expenses of relocating plant management and production supervisors and their families. Start up costs may be amortized over the period of time for which such expenditures are ordinarily amortized by assemblers of the same general class or kind of merchandise in the country of exportation, in keeping with generally accepted accounting practices; and

(18) All other general administrative and overhead expenses including janitorial services, security services, and the services of a foreign warehouse officer.

(d) *Profit*. The assembler's actual profit or loss and the basis upon which it was calculated must be reported. Appraisement by Customs shall be based on the amount of profit which is found to be usual or ordinary in the trade, subject to limitations and requirements more particularly described in the applicable statutory provisions.

(e) *Packing expenses*. All costs of packing or otherwise preparing assembled articles for shipment to the United States must be reported. These costs include, but are not limited to, the cost of containers, the cost of packing materials such as excelsior, straw, and string, the cost of spraying and fumigating packing materials, and the cost of labor for packing. Packing materials of United States origin may be separately exempt from duty under the exemption provided in item 800.00, Tariff Schedules of the United States (19 U.S.C. 1202), for American goods returned without advancement in value or improvement in condition while abroad.

§ 10.20 Cost data required if other statutory basis applicable.

Where it is determined that appraisement is to be made on a value base other than constructed value or cost of production, the importer shall be required to submit cost data of a different nature then required in this part.

Example. If United States value is determined to be the propoer basis of valuation, the importer may be required to furnish information on his resale price at the wholesale level in the United States, his general expenses and profit on the resale, and other data which is needed to determine United States value, rather than the cost data required to establish constructed value or cost of production.

§ 10.21 Updating cost data and other information.

When a claim for the exemption is predicated on estimated cost data furnished either in advance of or at the time of entry, this fact should be clearly stated in writing at the time of entry, and suspension of liquidation may be requested by the importer or his agent pending the furnishing of actual cost data. Actual cost data must be submitted as soon as accounting procedures permit. To insure that information used for Customs purposes is reasonably current, the importer shall ordinarily be required to furnish updated cost and assembly data at least every six months, regardless of whether he considers that significant changes have occurred. The 6-month period for the submission of updated cost or other data may be extended by the district director if such extension is appropriate for the type of merchandise involved, or because of the accounting period normally used in the trade, or because of other relevant circumstances.

§ 10.22 Marking.

Assembled articles entitled to the exemption are considered products of the country of assembly for the purposes of the country of origin marking requirements of section 304, Tariff Act of 1930, as amended (19 U.S.C. 1304). If an imported assembled article is made entirely of American-made materials, the United States origin of the material may be disclosed by using a legend such as "Assembled in______ from material of U.S. origin," or a similar phrase.

(Sec. 304, 46 Stat. 687, as amended (19 U.S.C. 1304))

§ 10.23 Standards, quotas, and visas.

All requirements and restrictions applicable to imported merchandise, such as labeling, radiation standards, flame-retarding properties, quotas, and visas, apply to assembled articles eligible for the exemption in the same manner as they would apply to all other imported merchandise.

§ 10.24 Documentation.

(a) *Documents required*. The following documents shall be filed in connection with the entry of assembled articles claimed to be subject to the exemption under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202).

(1) *Declaration by the assembler*. A declaration by the person who performed the assembly operations abroad shall be filed in substantially the following form:

I, ____________, declare that to the best of my knowledge and belief the ____________ were assembled in whole or in part from fabricated components listed and described below, which are products of the United States:

Marks of identification, numbers	Description of component	Quantity	Unit value at time and place of export from United States [1]	Port and date of export from United States	Name and address manufacturer

[1] In accordance with Headnote 3, part 1B, schedule 8, Tariff Schedules of the United States (19 U.S.C. 1202).

Description of the operations performed abroad on the exported components (in sufficient detail to enable Customs officers to determine whether the operations performed are within the purview of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202) (attach supplemental sheet if more space is required)):

Date	Signature
Address	Capacity

(2) *Endorsement by the importer*. An endorsement, in substantially the following form, shall be signed by the importer:

I declare that to the best of my knowledge and belief the (above) (attached) declaration, and any other information submitted herewith, or otherwise supplied or referred to, is correct in every respect and there has been compliance with all pertinent headnotes of the Tariff Schedules of the United States (19 U.S.C. 1202).

Date	Signature
Address	Capacity

(b) *Revision of format*. In specific cases, the district director may revise the format of either of the documents specified in paragraph (a) of this section and may make such changes as conditions warrant, provided the data and information required to be supplied in these documents are presented. For example, if the components were furnished by the importer, the information on components may be supplied as part of the importer's endorsement, rather than as part of the assembler's declaration.

(c) *Reference to previously filed documents*. In lieu of filing duplicate lists of components and descriptions of assembly operations with each entry, the documents specified in paragraph (a) of this section may refer to assembly descriptions and lists of components previously filed with and approved by the district director, or to records showing costs, names of manufacturers, and other necessary data on components, provided the importer has arranged with the district director to maintain such records and keep them available for examination by authorized Customs officers.

(d) *Waiver of specific details for each entry*. There are cases where large quantities of United States components are purchased from various sources or exported at various ports and dates on a continuing basis, so that it is impractical to identify the exact source, port and date of export for each particular component included in an entry of merchandise claimed to be subject to the exemption under item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202). In these cases, specific details such as the port and date of export and the name of the manufacturer of the United States components may be waived if the district director is satisfied that the importer and assembler have established reliable controls to insure that all components for which the exemption is claimed are in fact products of the United States. These controls shall include strict physical segregation of United States and foreign components, as well as records of United States components showing quantities, sources, costs, dates shipped abroad, and other necessary information. These records shall be maintained by the importer and assembler in such manner as to be readily available for audit, inspection, copying, reproduction or other official use by authorized Customs officers.

(e) *Waiver of documents*. When the district director is satisfied that unusual circumstances make the production of either or both of the documents specified in paragraph (a) of this section, or of any of the information set forth therein, impractical and is further satisfied that the requirements of item 807.00, Tariff Schedules of the United States (19 U.S.C. 1202), and related headnotes have been met, he may waive the production of such document(s) or information.

(f) *Unavailability of documents at time of entry.* If either or both of the documents specified in paragraph (a) of this section are not available at the time of entry, an appropriate bond for the production of the document(s) may be given pursuant to §§ 113.41–113.46 and 141.66 of this chapter.

(g) *Responsibility of correctness.* Subject to the civil and criminal sanctions provided by law for false or fraudulent entries, the importer has the ultimate responsibility for supplying all information needed by the Customs Service to process an entry, and for the completeness and truthfulness of such information. If certain information cannot be supplied by the assembler, it must be provided by the importer.

(R.S. 251, as amended, secs. 502, 624, 46 Stat. 731, as amended, 759, 77A Stat. 14 (19 U.S.C. 66, 1202 (Gen. Hdntes. 11, 12, Tariff Schedules of the United States), 1502, 1624))

[FR Doc.75-24815 Filed 9-17-75;8:45 am]

[T.D. 75-229]

PART 172—LIQUIDATED DAMAGES

Coffee Imports and Export Certificates; Discontinuance of Requirements

Section 172.22(a) of the Customs Regulations (19 CFR 172.22(a)) provides that district directors are authorized to treat any bond charge for the production of a missing document as satisfied upon payment by the principal or surety of the sum of $25 as liquidated damages for each missing declaration of the consignee or other document. Certain specified documents, among them certificates of origin and certificates of reexport for imports and exports of coffee, required under § 12.70 of this chapter, not produced within the time prescribed by law or regulations or any lawful extension of such time, are excepted from this authorization.

Inasmuch as §§ 12.70 and 12.71 of the Customs Regulations (19 CFR 12.70, 12.71), pertaining to imports and exports under the International Coffee Agreement, were deleted by Treasury Decision 74-252, dated September 20, 1974 (39 FR 34650), certificates of origin and certificates of reexport for imports and exports of coffee are no longer required. Therefore, the reference to these documents in § 172.22(a) of the Customs Regulations should be deleted.

Accordingly, § 172.22 of the Customs Regulations (19 CFR 172.22), is hereby amended as set forth below:

Paragraph (a) of § 172.22 is amended to read as follows:

§ 172.22 Special cases acted on by district director of Customs.

(a) *Nonproduction of documents in general.* District directors are hereby authorized to treat any bond charge for the production of a missing document as satisfied upon payment by the principal or surety of the sum of $25 as liquidated damages for each missing declaration of the consignee or other document, except shippers' export declarations and special Customs and commercial invoices, not produced within the time prescribed by law or regulations or any lawful extension of such time.

* * * * *

(R.S. 251, as amended, secs. 623, 624, 46 Stat. 759, as amended (19 U.S.C. 66, 1623, 1624))

Because this amendment merely deletes a reference to a section of the Customs Regulations which was previously deleted, and requires no public initiative, notice and public procedure thereon is found to be unnecessary and good cause exists for dispensing with a delayed effective date under the provisions of 5 U.S.C. 553.

Effective date. This amendment shall become effective September 17, 1975.

VERNON D. ACREE,
Commissioner of Customs.

Approved: September 9, 1975.

DAVID R. MACDONALD,
Assistant Secretary of the Treasury.

[FR Doc.75-24816 Filed 9-17-75;8:45 am]

Title 24—Housing and Urban Development

SUBTITLE A—OFFICE OF THE SECRETARY DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. R-75-352]

PART 25—MORTGAGEE REVIEW BOARD

Subpart A—Department of Housing and Urban Development Mortgagee Review Board

The Department is establishing a Mortgagee Review Board to act for the Secretary in determining whether or not to withdraw approval of a mortgagee under HUD programs.

The establishment of this Board and creation of a new Part 25 are matters of internal management and operation not subject to the requirements of 5 U.S.C. 553 or 24 CFR 10.5. Moreover, inasmuch as the part sets forth duties, functions, and final authority that is not regulatory in nature, this document is effective as of September 12, 1975.

Accordingly, Title 24 is amended by adding a new Part 25, Mortgagee Review Board, to read as follows:

Subpart A—Department of Housing and Urban Development Mortgagee Review Board

AUTHORITY: Sec. 7(d), Department of Housing and Urban Development Act; 42 U.S.C. 3535(d).

Subpart A—Department of Housing and Urban Development Mortgagee Review Board

§ 25.1 Establishment of the Board.

There is hereby established in the Office of the Secretary a Mortgagee Review Board.

§ 25.2 Members.

The Mortgagee Review Board is composed of the following members: Assistant Secretary for Housing Production and Mortgage Credit—Federal Housing Commissioner, Chairman; General Counsel; Assistant Secretary for Housing Management; Inspector General, or their designees.

§ 25.3 Functions, duties and powers.

Except as limited by this part, the Mortgagee Review Board shall exercise all of the authority and perform all of the functions of the Secretary with respect to withdrawal of mortgagee approval. The Board shall have all powers necessary and incident to the proper performance of these functions and duties.

§ 25.4 Withdrawal determinations.

(a) *Determinations by the Board.* If the Board unanimously determines that a mortgagee's approval be continued, the mortgagee's approval shall be continued. If the Board unanimously determines that a mortgagee's approval be withdrawn, the geographical extent of such withdrawal, the duration of such withdrawal, and whether the withdrawal shall be partial or total, the mortgagee's approval shall be withdrawn pursuant to the Board's determination. If the Board's determination is not unanimous concerning withdrawal, the geographical extent of such withdrawal, the duration of such withdrawal, or the nature of such withdrawal, the Under Secretary shall determine those matters as to which the Board's determination is not unanimous, and the mortgagee's approval shall be withdrawn pursuant to the Board's unanimous determination and the determination of the Under Secretary. As used in this Part, "duration of withdrawal" shall include permanent withdrawal, withdrawal for a specific length of time or withdrawal for an indeterminate period pending satisfaction by the mortgagee of conditions specified by the Board or the Under Secretary.

(b) *Notification of mortgagee.* Whenever the Board or the Under Secretary determines pursuant to paragraph (a) of this section that a mortgagee's approval be withdrawn, the Chairman shall in writing notify, or cause to be notified, the mortgagee of such determination and the extent, duration and nature of such withdrawal. Such notice shall specify the reasons for the determination and the facts upon which the determination is based and shall further specify the name and address of the designated Departmental hearing officer to whom the mortgagee should address a request for a hearing pursuant to paragraph (c) of this section.

(c) *Hearings*. Whenever the Board or the Under Secretary determines that a mortgagee's approval be withdrawn in accordance with paragraph (a) of this section, the mortgagee shall have a period of 30 days in which to request in writing a hearing on such withdrawal action before the designated Departmental hearing officer.

(d) *Conduct of hearing*. Upon receipt of a request for a hearing, the hearing officer shall arrange a timely hearing. Notice of the time and place of such hearing shall be in writing, transmitted by registered or certified mail, return receipt requested. It shall be within the discretion of the hearing officer to determine the hearing place.

(1) The hearing officer shall be responsible for the fair and expeditious conduct of proceedings. The Department shall be represented by the General Counsel or his designee. A record shall be made of the proceedings and shall be made available to the parties upon request. After the mortgagee against whom action is proposed has been afforded an opportunity to be heard, the hearing officer shall make an initial written determination on the evidence presented. The hearing officer's determination shall be final unless reversed or modified within 30 days by the Secretary. Each determination shall become a part of the record. Notice of the final determination shall be given in writing, signed by the hearing officer and transmitted by registered or certified mail, return receipt requested. The final determination shall be conclusive.

(e) *Failure to request a hearing*. If the mortgagee does not request a hearing before the Departmental hearing officer for a review of the Board's or the Under Secretary's withdrawal determination within the period prescribed in paragraph (c) of this section, the determination shall become final.

§ 25.5 Grounds for withdrawal.

Any withdrawal or proposed withdrawal of approval under § 25.4 shall be upon one or more of the following grounds:

(a) The transfer of an insured mortgage to a non-approved mortgagee, except pursuant to §§ 203.433 or 203.435 of Part 203.

(b) The failure of a nonsupervised mortgagee to segregate all escrow funds received from mortgagors on account of ground rents, taxes, assessments and insurance premiums, and to deposit such funds to a special account or accounts with a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation or by the Federal Savings and Loan Insurance Corporation;

(c) The use of escrow funds for any person other than that for which they were received;

(d) The failure of a nonsupervised mortgagee to conduct its business in accordance with the plan indicated by its application for approval;

(e) The termination of a mortgagee's supervision by a governmental agency;

(f) The failure of a nonsupervised mortgagee or an investing mortgagee to submit the required annual audit report of its financial condition within 75 days of the close of its fiscal year or such longer period as the Assistant Secretary for Housing Production and Mortgage Credit—Federal Housing Commissioner may determine;

(g) The payment by the mortgagee of any fee, kickback, or other consideration, directly or indirectly, in connection with any insured mortgage transaction or transactions to any person including an attorney, escrow agent, title company, consultant, mortgage broker, seller, builder, or real estate agent if such person has received any other payment or other consideration from the mortgagor, the seller, the builder, or any other person for services related to such transaction or transactions or from or related to the purchase or sale of the mortgaged property, except that compensation may be paid for the actual performance of such services as may be approved by the Assistant Secretary for Housing Production and Mortgage Credit—Federal Housing Commissioner;

(h) Such other reason as the Board, Secretary, Under Secretary or hearing officer, as appropriate, determines to be justified.

§ 25.6 Effective date of withdrawal.

Withdrawal of a mortgagee's approval pursuant to this part shall be effective:

(a) Immediately if the Board unanimously determines that continuation of the mortgagee's approval pending a request of the mortgagee for a hearing pursuant to § 25.4(c) would not be in the public interest or in the best interests of the Department;

(b) At the expiration of the 30 day period specified in § 25.4(c) if the mortgagee has not requested a hearing; or

(c) 30 days after the hearing officer's written determination pursuant to § 25.4 (d).

Effective date. This regulation is effective as of September 12, 1975.

CARLA A. HILLS,
Secretary of Housing and Urban Development.

[FR Doc.75-24840 Filed 9-17-75;8:45 am]

CHAPTER III—GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

SUBCHAPTER A—INTRODUCTION

[Docket No. R-75-310]

PART 300—GENERAL

List of Attorneys-in-Fact

Paragraphs (c) and (d) of § 300.11 are amended to add additional names to the list of attorneys-in-fact authorized to act on behalf of the Association and to delete several names from the current list in paragraph (c).

Notice and public procedure on this amendment are unnecessary and impracticable because of the large volume of legal documents that must be executed on behalf of the Association in connection with its recent auctions of mortgages.

1. Paragraph (c) of § 300.11 is amended by deleting the following names from the current list of attorneys-in-fact:

Name:	Region
Allan E. Arneson	Los Angeles, Calif.
Robert P. Atkins	Chicago, Ill.
Inman L. Beavers	Atlanta, Ga.
James D. Blank	Chicago, Ill.
Earlene P. Carr	Atlanta, Ga.
Warren O. Dinkins	Dallas, Tex.
Norbert C. Greene	Philadelphia, Pa.
Francine Karling	Chicago, Ill.
Joan Lehning	Do.
James A. McClellan	Do.
Terry S. Nooner	Dallas, Tex.
Richard Stern	Chicago, Ill.
Marvin F. Strattman	Los Angeles, Calif.
Walter B. Williams	Atlanta, Ga.

2. Paragraph (c) of § 300.11 is further amended by adding the following names in alphabetical sequence to the current list of attorneys-in-fact:

Name:	Region
E. P. Carr	Atlanta, Ga.
Bennie H. Dixon	Do.
William B. Enis	Dallas, Tex.
Robert R. Foster	Philadelphia, Pa.
James D. Grady, Jr	Do.
Vincent C. Hehl	Do.
B. J. Hendryk	Dallas, Tex.
Arnold L. Hufstetler	Atlanta, Ga.
James C. Kennedy	Dallas, Tex.
Carroll P. Kisser	Chicago, Ill.
John H. Kline, Jr	Philadelphia, Pa.
Francine A. Koch	Chicago, Ill.
Clark Lauderdale	Dallas, Tex.
Theresa M. Mastricolo	Philadelphia, Pa.
Mary Simpson	Dallas, Tex.
Meredith C. Wright	Chicago, Ill.

3. Paragraph (d) of § 300.11 is amended by adding the following name in alphabetical sequence to the current list of attorneys-in-fact:

Name:	Region
William J. Burdine	Atlanta, Ga.

Effective date. This amendment shall be effective on September 18, 1975.

It is hereby certified that the economic and inflationary impacts of this proposed regulation have been carefully evaluated in accordance with OMB Circular A-107.

DANIEL P. KEARNEY,
President, Government National Mortgage Association.

[FR Doc.75-24841 Filed 9-17-75;8:45 am]

CHAPTER X—FEDERAL INSURANCE ADMINISTRATION

SUBCHAPTER B—NATIONAL FLOOD INSURANCE PROGRAM

[Docket No. FI-691]

PART 1916—CONSULTATION WITH LOCAL OFFICIALS

Notice of Changes Made in Determinations of Aransas County, Texas, Base Flood Elevations

On January 8, 1973, at 38 FR 1001, the Federal Insurance Administrator published a list of communities with Special Flood Hazard Areas and the map numbers and locations where Flood Insurance Rate Maps were available for public inspection. The list included Flood