Martinsburg, Pa.—Blair County Arpt., VOR-A, Original

. . . . *effective March 12, 1976*

Brazil, IN—Arthur Muni. Arpt., VOR Rwy 9, Amdt. 1

2. Section 97.25 is amended by originating, amending, or canceling the following SDF-LOC-LDA SIAPs, *effective May 20, 1976.*

Grand Island, NE—Grand Island Airpark, LOC/DME(BC Rwy 17, Amdt. 2
Greer, SC—Greenville-Spartanburg, LOC Rwy 21, Amdt. 1

3. Section 97.27 is amended by originating, amending, or canceling the following NDB/ADF SIAPs, *effective May 20, 1976.*

Charles City, Ia—Charles City Muni. Arpt., NDB Rwy 12, Amdt. 5
Grand Island, NE—Grand Island Airpark, NDB Rwy 35, Amdt. 2

. . . . *effective May 6, 1976*

Rogers, AR—Rogers Muni.—Carter Field, NDB Rwy 19, Amdt. 5
Ponape Island, CAROLINE ISLANDS—Ponape Int'l Arpt., NDBB, Original
Ponape Island, CAROLINE ISLANDS—Ponape Int'l Arpt., NDB-C, Original
Titusville, FL—Titusville-Cocoa Arpt., NDB Rwy 18, Amdt. 4
Youngstown, OH—Lansdowne Arpt., NDB-A, Amdt. 4
Greenville, SC—Greenville Downtown Arpt., NDB Rwy 36, Amdt. 15
Moen Island, TT—Truk Int'l Arpt., NDB-B, Original
Newport, VT—Newport State Arpt., NDB Rwy 23, Amdt. 5
Charlottesville, VA—Charlottesville-Albermarle Arpt., NDB Rwy 3, Amdt. 8

. . . . *effective April 1, 1976*

Milwaukee, WI—General Mitchell Field, NDB Rwy 7R, Amdt. 5

4. Section 97.29 is amended by originating, amending, or canceling the following ILS SIAPs, *effective May 20, 1976.*

Washington, DC—Dulles Int'l Arpt., ILS Rwy 19L, Amdt. 6
Grand Island, NE—Grand Island Airpark, ILS Rwy 35, Amdt. 3

. . . . *effective May 6, 1976*

Titusville, FL—Titusville-Cocoa Arpt., ILS Rwy 36, Amdt. 1
Greenville, SC—Greenville Downtown Arpt., ILS Rwy 36, Amdt. 20
Charlottesville, VA—Charlottesville-Albemarle Arpt., ILS Rwy 3, Amdt. 3

. . . . *effective April 1, 1976*

Martinsburg, PA—Blair County Arpt., ILS Rwy 20, Original
Milwaukee, WI—General Mitchell Field, ILS Rwy 7R, Amdt. 7

5. Section 97.31 is amended by originating, amending, or canceling the following RADAR SIAPs, *effective May 6, 1976.*

Greenville, SC—Greenville Downtown Arpt., RADAR-1, Amdt. 9
Sumter, SC—Sumter Muni. Arpt., RADAR-1, Amdt. 3

6. Section 97.33 is amended by originating, amending, or canceling the following RNAV SIAPs, *effective May 20, 1976.*

Grand Island, NE—Grand Island Airpark, RNAV Rwy 31, Amdt. 2
St. Marys, PA—St. Marys Muni. Arpt., RNAV Rwy 28, Original
St. Marys, PA—St. Marys Muni. Arpt., RNAV Rwy 10, Original

. . . . *effective May 6, 1976*

Auburn, AL—Auburn-Opelika Arpt., RNAV Rwy 18, Amdt. 2

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

Issued in Washington, D.C., on March 18, 1976.

JAMES M. VINES,
Chief,
Aircraft Programs Division.

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

[FR Doc.76-8398 Filed 3-24-76;8:45 am]

[Docket No. 15459; Amdt. No. 1012]

PART 97—STANDARD INSTRUMENT APPROACH PROCEDURES

Miscellaneous Amendments

This amendment to Part 97 of the Federal Aviation Regulations incorporates by reference therein changes and additions to the Standard Instrument Approach (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 F.R. 5609).

SIAPs are available for examination at the Rules Docket and at the National Flight Data Center, Federal Aviation Administration, 800 Independence Avenue, SW., 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, SW., 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 May 6, 1976.*

Scappoose, OR—Scappoose Industrial Airpark, VOR/DME-A, Original

. . . . *effective April 29, 1976*

Mobile, AL—Mobile Aerospace Arpt., VOR Rwy 32 (TAC), Amdt. 5
Mobile, AL—Mobile Aerospace Arpt., VOR/DME Rwy 14, Original
Donalsonville, GA—Donalsonville Muni, Arpt., VOR Rwy 27, Amdt. 1
Detroit, MI—Detroit City Arpt., VOR Rwy 33, Amdt. 16

. . . . *effective March 25, 1976*

Oxnard, CA—Ventura County Arpt., VOR Rwy 7, Amdt. 6
Oxnard, CA—Ventura County Arpt., VOR Rwy 25, Amdt. 4
Oxnard, CA—Ventura County Arpt., VORTAC Rwy 7, Amdt. 1

. . . . *effective March 5, 1976*

Bettles, AK—Bettles Arpt., VOR Rwy 1 (TAC), Amdt. 2

. . . . *effective March 3, 1976*

Tucson, AZ—Tucson Int'l Arpt., VOR-A, Amdt. 5
Tucson, AZ—Tucson Int'l Arpt., VOR/DME-B, Amdt. 1

2. Section 97.25 is amended by originating, amending, or canceling the following SDF-LOC-LDA SIAPs, *effective April 29, 1976.*

Minneapolis, MN—Minneapolis-St. Paul Int'l (Wold-Chamberlain), LOC(BC) Rwy 11L, Amdt. 2
McComb, MS—McComb-Pike County Arpt., LOC Rwy 15, Amdt. 1

. . . . *effective March 25, 1976*

Montgomery, AL—Dannelly Field, LOC Rwy 27, Original, cancelled
Oxnard, CA—Ventura County Arpt., LOC Rwy 25, Original.

. . . . *effective March 5, 1976*

Bettles, AK—Bettles Arpt., LOC/DME Rwy 1, Amdt. 1

. . . . *effective March 3, 1976*

Tucson, AZ—Tucson Int'l Arpt., LOC Rwy 11L, Amdt. 6
Tucson, AZ—Tucson Int'l Arpt., LOC BC Rwy 29R, Amdt. 6

3. Section 97.27 is amended by originating, amending, or canceling the following NDB/ADF SIAPs, *effective May 6, 1976.*

Sherman-Denison, TX—Grayson County Arpt., NDB Rwy 17L, Amdt. 2
Yap, Caroline Is.—Yap Arpt., NDB Rwy 7, Amdt. 1
Moen Island, TT—Truk Int'l Arpt., NDB-A, Amdt. 1

. . . . *effective April 29, 1976*

McComb, MS—McComb-Pike County Arpt., NDB Rwy 15, Amdt. 1
Medina, OH—Freedom Field, NDB Rwy 27, Amdt. 3

Versailles, OH—Darke County Arpt., NDB Rwy 9, Amdt. 1

. . . . *effective March 8, 1976*

Rochester, MN—Rochester Municipal Arpt., NDB Rwy 31, Amdt. 13

. . . . *effective March 5, 1976*

Bettles, AK—Bettles Arpt., NDB-A, Amdt. 6

. . . . *effective March 3, 1976*

Tucson, AZ—Tucson Int'l Arpt., NDB-C, Amdt. 1

4. Section 97.29 is amended by originating, amending, or canceling the following ILS SIAPs, *effective May 6, 1976*.

New Orleans, LA—Lakefront Arpt., ILS Rwy 17, Amdt. 1
Seattle, WA—Seattle-Tacoma Int'l Arpt., ILS Rwy 16R, Amdt. 5

. . . . *effective April 29, 1976*

Minneapolis, MN—Minneapolis-St. Paul Int'l Arpt. (Wold-Chamberlain), ILS Rwy 29R, Amdt. 1

. . . . *effective March 25, 1976*

Montgomery, AL—Dannelly Field, ILS Rwy 27, Original
Oxnard, CA—Ventura County Arpt., ILS Rwy 25, Original
Washington, D.C.—Dulles Int'l Arpt., ILS Rwy 1R, Amdt. 14

. . . . *effective March 10, 1976*

Grand Junction, CO—Walker Field, ILS Rwy 11, Amdt. 7

. . . . *effective March 8, 1976*

Rochester, MN—Rochester Municipal Arpt., ILS Rwy 31, Amdt. 11

. . . . *effective March 5, 1976*

Farmingdale, NY—Republic Arpt., ILS Rwy 14, Amdt. 2

. . . . *effective March 3, 1976*

Tucson, AZ—Tucson Int'l Arpt., ILS Rwy 11L, Amdt. 4

5. Section 97.31 is amended by originating, amending, or canceling the following RADAR SIAPs, *effective March 8, 1976*.

Rochester, MN—Rochester Municipal Arpt., RADAR-1, Amdt. 2

. . . . *effective March 3, 1976*

Tucson, AZ—Tucson Int'l Arpt., RADAR-1, Amdt. 8, cancelled

6. Section 97.33 is amended by originating, amending, or canceling the following RNAV SIAPs, *effective April 8, 1976*.

Paris, TX—Cox Field, RNAV Rwy 17, Original, cancelled

. . . . *effective March 3, 1976*

Tucson, AZ—Tucson Int'l Arpt., RNAV Rwy 11L, Amdt. 2
Tucson, AZ—Tucson Int'l Arpt., RNAV Rwy 29R, Amdt. 1

CORRECTION: In Docket Number 15413, Amendment 1010, to Part 97 of the Federal Aviation Regulations published in the FEDERAL REGISTER dated March 4, 1976, on Page 9303 . . . under Section 97.27, effective March 25, 1976, North Conway, NH—White Mountain Arpt., NDB-A, Amdt. 4, is hereby withdrawn . . . Amendment 3 to this procedure remains in effect.

(Secs. 307, 313, 601, 1110, Federal Aviation Act of 1958; 49 U.S.C. 1438, 1354, 1421, 1510, and Sec. 6(c) Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Washington, D.C., on March 11, 1976.

JAMES M. VINES,
Chief,
Aircraft Programs Division.

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

CHAPTER II—CIVIL AERONAUTICS BOARD

[Regulation ER-950; Amdt. 10]

PART 217—REPORTING DATA PERTAINING TO CIVIL AIRCRAFT CHARTERS PERFORMED BY FOREIGN AIR CARRIERS

Amendment of Reporting Requirements for CAB Form 217

Adopted by the Civil Aeronautics Board at its office in Washington, D.C. February 18, 1976.

For the reasons set forth in ER-949 (Part 241), published contemporaneously herewith, the Board hereby amends Part 217 of the Economic Regulations (14 CFR Part 217), effective May 1, 1976, as follows:

1. Amend the Table of Contents by adding a new § 217.7, the table as amended to read as follows:

Sec.

* * * * *

217.6 Reporting instructions.
217.7 Waivers from reporting requirements.

2. Amend paragraph (b) and add a new paragraph (c) of § 217.3 to read as follows:

§ 217.3 Report of civil aircraft charters performed by foreign air carriers.

* * * * *

(b) Three copies of CAB Form 217[1] shall be filed for the quarters ending March 31, June 30, September 30, and December 31 of each calendar year. These reports shall be submitted to the Bureau of Accounts and Statistics, Civil Aeronautics Board, Washington, D.C. 20428, so as to be received on or before the due dates indicated below:

Schedule of due dates

Filing for quarter ended:	*Due date*[1]
March 31	Apr. 30
June 30	July 30
September 30	Oct. 30
December 31	Jan. 30

[1] Due dates falling on a Saturday, Sunday or national holiday become effective the first following working day.

(c) If no charter flights were operated for the quarter to be reported, three copies of CAB Form 217 endorsed "no flights operated" shall nevertheless be filed. If charter flight operations have been discontinued indefinitely, three copies of CAB Form 217 endorsed "charter flight activity discontinued indefinitely" may be filed and thereafter no further quarterly reports are required until such time as any charter flight is flown, after which quarterly reporting shall be resumed.

3. Revise § 217.6 to read as follows:

§ 217.6 Reporting instructions.

(a) A complete report shall be made on this form for the overall or system operations conducted by a foreign air carrier to or from the United States: *Provided, however*, that charter flights with small aircraft (as defined in § 217.1) shall not be reported.

(b) Reporting of passenger flights shall be on a charter group basis, by flight legs; that is, there will be a separate line of data for each flight leg of each charter group which can be distinguished from another charter group on the same flight leg by charterer, type of charter, origin, destination, or duration of charter trip. All groups on the same flight must be reported on consecutive lines without intervening lines of data about groups on other flights. All flight legs should be reported in chronological order of dates of enplanement. (See item (g) below for identification of flight legs.)

(c) Each CAB Form 217 submitted shall consist of three separate monthly reports within each of the respective calendar quarters and data for each flight leg shall be reported for that month in which the flight leg began. Since CAB Form 217 has been designed for direct key punching, the reported month, year, and name of carrier shall be inserted in the areas provided in the upper left hand corner of the report. The date area shall show the year first and then the month (*e.g.*, 7604 for April 1976); the carrier area shall show the carrier's standard 2-position alpha code as shown in the Official Airline Guide (OAG). If the carrier has no such code, it should leave those two positions blank until assigned a code by the Board's Bureau of Accounts and Statistics.

(d) Column (1) shall reflect the day of the month (1, 2, 3, *etc.*) in which the flight leg began.

(e) Column (2) shall reflect the code number for the type of aircraft operated as provided in the Official Airline Guide (OAG). If no aircraft code number exists in the OAG, the manufacturer's type and model shall be writen out, in a footnote if necessary.

(f) Column (4) shall reflect each type of charter by the following codes:

AB—Advance Booking
CP—Common Purpose (Canada, Yugoslavia originations)
EC—Entity—Cargo
EF—Entity—Cargo Forwarder
EP—Entity—Passenger
FT—Foreign Rule ITC

[1] CAB Form 217 may be obtained from the Publications Services Section, Civil Aeronautics Board, Washington, D.C. 20428.

IT—ITC (Part 378 of the Board's Special Regulations)
OM—Overseas Military Personnel
OT—One-stop ITC (Part 378a of the Board's Special Regulations)
PR—Pro Rata Prior Affinity (Includes Mixed Charters)
SE—Special Event
SG—Study Group
TG—Travel Group

Charters flown for the transportation of charter traffic of another air carrier or foreign air carrier shall be reported solely by the carrier in operational control of the aircraft, naming the type of charter, *e.g.*, IT, and traffic carried. Charters flown to accommodate the scheduled traffic of another direct air carrier shall be reported as entity charters. Charters originating in the United States and flown to Canada with aircraft having a maximum takeoff weight greater than 18,000 pounds but not greater than 35,000 pounds shall be reported as Entity—Passenger or Entity—Cargo unless organized and operated pursuant to any Economic or Special Regulation for which the filing of preflight documentation with the Board is required. Charters originating in Canada and flown to the United States shall be identified by the codes AB, CP, EC, EP, or FT, as appropriate.

(g) Column (5) shall identify each leg by the following numbers:

1—One-way flight.
2—Originating leg of round trip.
3—Intermediate leg involving a stopover (applies only where a group made a distinguishable stopover, not merely, *e.g.*, a stop for entry inspection or refueling.)
4—Return leg of trip.

The outbound and return legs of any group movement shall in no instance be reported as one-way flight legs even if a separate contract has been entered into for each leg, whether with the same or a different carrier.

(h) Column (6) shall reflect any point at which a charter group, cargo load, or part of a group or load was enplaned. Departure points for ferry legs shall not be reported. Technical stops, *e.g.*, for departure formalities or refueling, shall not be reported. Where a diversion occurs for weather or other reasons, the planned rather than the actual point of enplanement shall be reported. The point of enplanement shall be identified by the three-letter airport code used in the Official Airline Guide (OAG). If no OAG code exists, the point of enplanement shall be written out, in a footnote if necessary.

(i) Column (7) shall reflect any point at which a charter group, cargo load, or part of a group or load was deplaned. Arrival points for ferry legs shall not be reported. Technical stops, *e.g.*, for entry formalities or refueling, shall not be reported. Where a diversion occurs for weather or other reasons, the planned rather than the actual point of deplanement shall be reported. The point of deplanement shall be identified by the three-letter airport code used in the Official Airline Guide (OAG). If no OAG code exists, the destination name shall be written out, in a footnote if necessary.

(j) Column (9) shall reflect the entire capacity of the aircraft (to the nearest tenth of a short ton) and shall be completed for Entity—Cargo and Entity—Cargo Forwarder charters only.

(k) Column (10) shall reflect revenue in U.S. dollars only (no cents) for the flight leg being reported. For departing and returning legs of simple round trips, revenue shall be divided so that one-half of total revenue is shown for each flight leg. Where a different rate is charged for the outbound and the return flight legs, the actual charges for each leg shall be reported. For open-jaw or circle-tour trips, report actual revenue for each flight leg, prorating by each leg's mileage if necessary. Where ferry mileage is charged for, prorate the ferry charge over all legs of the total program. Separate revenue entries shall be made for each enplaning charter group. Revenues shall show the price paid for air transportation by the charterer, not the charterer's price to the passenger. In a "wet lease" charter, the lessor shall report the revenue it obtains from the lessee, and not the price the lessee charges the charterer.

(l) Column (12) shall reflect the number of tons (to the nearest tenth of a short ton) of property enplaned in Entity—Cargo and Entity—Cargo Forwarder charters only.

4. Add a new § 217.7 to read as follows:

§ 217.7 Waivers from reporting requirements.

A waiver from any reporting requirement contained in CAB Form 217 may be made by the Civil Aeronautics Board upon its own initiative or upon the submission of a written request therefor to the Board's Bureau of Accounts and Statistics from any foreign direct air carrier, or group of foreign direct air carriers, provided that such a waiver is in the public interest and each request for waiver expressly demonstrates that: existing peculiarities warrant a departure from the prescribed reporting; a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of the prescribed reporting; and the application of such alternative procedure will maintain or improve uniformity in reporting as between foreign direct air carriers.

5. Amend CAB Form 217 by revising this form as shown in Exhibit A.[2]

(Ses. 204(a) and 402 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 757; 49 U.S.C. 1324, 1372.)

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR, *Acting Secretary.*

[FR Doc.76-8526 Filed 3-24-76;8:45 am]

[2] Filed as part of the original document.

[Regulation ER-949; Amdt. 21]

PART 241—UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Amendment of Reporting Requirements for CAB Form 41, Schedule T-6

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., February 18, 1976.

By circulation of proposed rulemaking EDR-287, dated September 18, 1975, (Docket 28321) and published at 40 F.R. 43920, dated September 24, 1975, the Board gave notice that it had under consideration proposed amendments to Parts 241 and 217 of its Economic Regulations which would amend the reporting of civilian charter information by the certificated route and supplemental air carriers (CAB Form 41, Schedule T-6) and foreign direct air carriers (CAB Form 217).

The Board pointed out in EDR-287 that since 1967 charter flight reporting requirements have been deemed necessary to provide the Board and other interested users with data about charter markets. Piecemeal amendments to the reporting systems have not proven sufficient to correct their many inadequacies and ambiguities (as listed in EDR-287). The proposed amendments would make a basic change by substituting the reporting of charter group movements by flight leg for the present aggregate flight reporting. The system proposed is similar, but not identical, to one which the Canadian Transport Commission has had in effect for about five years, a system known to and used by virtually all U.S. air carriers and foreign air carriers which serve both Canada and the United States. The Board pointed out that its staff's own experience with the Canadian reporting system, as well as many informal discussions with those responsible for the Canadian system, indicates that an adaptation of it would remedy many existing defects and improve the quality of reporting significantly. In addition, it would make available to carriers, charter organizers, and others, useful information on actual or potential markets, growth rates, volumes of service, charter rates being obtained, and so forth. This would meet a substantial public need (evidenced in part by a large demand for the limited international charter information now made available by the Board), and would thereby promote competition in the charter market.

As proposed, Schedule T-6 and Form 217 would require the reporting of the following data on a charter basis, by flight legs: (1) Name of charterer; (2) Type of charter; (3) Flight number; (4) Flight leg; (5) Number of passengers in each group enplaned; (6) Number of tons of property enplaned; (7) Point of enplanement of each group; (8) (9) and (10) Month, day and year of departure; (11) Point of deplanement of each group; (12) Revenue; (13) Length of stay of each group at destination; (14) Type of aircraft; (15) Number of seats contracted for each group; and (16) Tons available for revenue property.

Comments in response to the notice were submitted by ten route air carriers;[1] seventeen foreign air carriers;[2] and the National Air Carrier Association (NACA).[3]

Upon consideration of the comments, the Board has decided to adopt the amendments with modifications hereinafter discussed. Except to the extent modified herein, the tentative findings set forth in the Explanatory Statement of EDR-287 are incorporated herein and made final.

There were three main objections to the adoption of the proposed rule which we discuss below, under separate headings: the 20-day filing due date; confidential treatment of certain data; and burden. Other significant comments filed herein will be discussed following these three major subjects.

20-day filing due date

It was the Board's view in EDR-287 that since the new reporting format calls for reporting of flight sectors flown in chronological order, reports could be prepared on a continuing or intermittent basis throughout the period without the necessity to wait for the end of the period of aggregate flights as at present. Accordingly, it was proposed to change the filing due date for Schedule T-6 and Form 217 to 20 days after the reporting period from the present 40 days. In light of objections from the majority of the respondents, who cited various reasons for the inability to meet this 20-day filing requirement, we have decided to adopt the proposal of American Airlines and to increase the time for filing the reports to 30 days after the reporting period. This 30-day filing period will be consistent with the time allowed for most of the other statistical reports filed with the Board.

Confidential treatment of certain data

Several respondents object to public disclosure of the name of the charterer, generally on the grounds that such information is proprietary and that it is an infringement on the rights of the individual charterers to require their names to be filed in a public document. Others objected to public disclosure of combinations of data such as "name of charterer and flight number" and "name of charterer and revenue information." We have determined that the name of the charterer, while potentially of use, should be deleted from the report in that the burden of supplying and processing it outweighs its value. Thus, the requests for confidentiality of the name of the charterer becomes moot. By this deletion, we feel the requests for confidentiality of the flight number and revenue data also become moot since these data cannot be tied to any identifiable charterer.

Burden

The reporting modifications were objected to as burdensome by four trunk carriers, two local service carriers, one all-cargo carrier, the National Air Carrier Association, and six foreign air carriers. In general, the carriers object to the increase in column items to be reported and to the additional volume of data which will result from reporting of nonaggregated data. The Board appreciates that any additional column items will increase the overall workload of those reporting; accordingly, we have decided to reduce the number of column items from 16 to 12, two of which are alternative columns. If any of the remaining items are subsequently found to receive insufficient usage to justify their retention the Board will consider eliminating them from the reports. With regard to reporting nonaggregated data, the burden of additional preparation time required will be at least partially offset by removing from the carrier the responsibility for making such aggregations and checking their accuracy.

With the exception of the actual number of passengers or tons of cargo enplaned, the data now being required can presumably be obtained for each flight from a single-source document, the contract with the charterer. Since most affected carriers already report data on passengers carried to IATA (and in the case of Canadian trips, to the Canadian Transport Commission), it is apparent that systems to obtain that data are already in operation.

For reporting the vast majority of charter flights (simple round trips to a single charterer) the new format will clearly increase the number of line items, but, on the other hand, the additional burden resulting from the revised reports will be fully justified by their increased effectiveness in serving the underlying purpose of these reports, *i.e.*, to furnish accurate data about complex traffic movements, particularly on split charters.[4]

Thus the increased utilization of these reports, for both carriers and the Board's staff, justifies the reasonableness of the increased burden.

Moreover, from a cost standpoint, the increased burden is minimal. For example, United Air Lines, the largest producer of domestic air charter transportation, has identified added costs only in the amount of $8,000 per year, an amount which is about one one-hundredth of one percent of its charter revenues of over $70,000,000 for 1974.

In addition to the foregoing major objections, the comments also included various other objections:

1. *Duplicative Reporting*—Several respondents objected that certain data called for on Schedule T-6 and Form 217 are already provided for in reporting requirements contained in other parts of the Board's regulations. We believe that the primary source for data related to charters should be the subject reports and, to the extent that some of the data reported hereunder may be duplicated by other reporting requirements in other parts of our regulations, such duplication should be avoided, where possible, by appropriately amending such other regulations. A continuing review will be made by the Board with a view toward the elimination of duplicative reporting. In this connection we note that, during the pendency of this proceeding, we eliminated several reporting requirements in Parts 372a,[5] 373,[6] and 378,[7] which would have duplicated in part data contained in the proposed regulation.

2. *Length of Stay Column*—Two respondents have pointed out that it is impossible to report length of stay for passengers traveling on ABC charters originating in the United Kingdom since these passengers are not required to return as a group. Rather, the passengers are permitted the flexibility to determine individual length of stay subject to a minimum-stay requirement and availability of return charter flights. Thus, these respondents urge that reporting of length of stay be excluded for these passengers. Four other respondents cite examples under an ITC charter where the direct air carrier would have no immediate knowledge of the length of stay of the group at a prior stop because that leg was operated by an indirect air carrier. Thus, it is claimed that the reporting of length of stay would impose upon direct air carriers a burden beyond a reporting requirement in that information would have to be sought out from the indirect air carriers. We find merit in the objections raised to the reporting of length of stay and, in the interest of reducing reporting burden, we are eliminating this column from the reporting forms.

3. *Revenue Column*—One respondent states that the Board is incorrect in assuming, in proposed § 217.6, that the revenue for the departing and returning legs of round trips are equal. An example is cited with respect to ABC charters where a minimum tariff charge is speci-

[1] Air New England, Inc.; American Airlines, Inc.; Braniff Airways, Inc.; The Flying Tiger Line Inc.; Northwest Airlines, Inc.; Pan American World Airways, Inc.; Seaboard World Airlines, Inc.; Southern Airways, Inc.; Trans World Airlines, Inc.; and United Air Lines, Inc.

[2] Aerlinte Eireann Teoranta; Aerovias Nacionales de Colombia, S.A.; Air BVI Limited; British Airways Board; British Caledonian Airways Limited; Britannia Airways Limited; Cayman Airways Limited; Compania Mexicana de Aviacion, S.A.; Condor Flugdienst G.m.b.H.; Iran National Airlines Corporation; Japan Air Lines Company, Ltd.; Lineas Aereas Costarricenses, S.A.; Deutsche Lufthansa Aktiengesellschaft; Philippine Air Lines, Inc.; Spantax, S.A.; Transportes Aereos de Carga, S.A.; Venezolana Internacional de Aviacion, S.A.

[3] On behalf of Capitol International Airways, Inc.; Overeseas National Airways, Inc.; Saturn Airways, Inc.; Trans International Airlines, Inc.; and World Airways, Inc.

[4] In fact, with the existing format, the Board's staff and certain reporting carriers have found it impossible to accurately account for some types of charter movements.

[5] SPR-91, adopted October 21, 1975.

[6] SPR-88, adopted September 18, 1975; SPR-92, adopted October 21, 1975.

[7] SPR-89, adopted September 18, 1975; SPR-92, adopted October 21, 1975.

fied for transportation in each direction for each particular season, and the respondent's contracts are entered into on a one-way flight basis, and a separate charter price is published for each outbound or return flight in the tariffs. Consequently, this respondent believes that revenue should be reported on a flight-by-flight basis in all situations where the charter charge is computed or contracted for on a flight-by-flight basis. We concur in this method of reporting and the proposed instructions are being revised accordingly. We are also revising the instructions to clarify that, in reporting revenues for "wet lease" charters, the lessor shall report the revenue he obtains from the lessee, and not the price the lessee charges the initial charterer. However, we have determined not to require the aggregation of revenue by market, as proposed by Pan American, in lieu of our proposal to require revenue by charter group. The suggested aggregation would only increase the workload of the reporting carriers, yet would make it impossible for the Board to check any aggregated figure for accuracy. Accurate revenue figures are necessary for meaningful economic analyses.

4. *Request for Exemption*—One of the smaller certificated route air carriers requested that it be exempt from the provisions of the proposed rule on the grounds that its staff and resources are too limited to meet the extensive reporting requirements contained therein. We do not believe that an individual exemption should be granted for any one carrier in the instant proceeding. Rather, we would prefer to entertain requests for relief from certificated air carriers under the waiver provision in section 241.1-2. Since Part 217 contains no provision similar to that in Part 241 for obtaining waivers of reporting requirements, we have determined to include an express waiver provision in Part 217 to afford such relief to foreign air carriers as may be needed with respect to any type of information from which a departure from prescribed reporting requirements might be warranted.

5. *All-Cargo Reporting*—In response to one respondent, the Board has determined that there is a regulatory need for all-cargo charter reporting and it will, therefore, be continued under the instant rule. Also, in response to another respondent, the Board has determined that there is a regulatory need for adding a separate category of cargo reporting for forwarder charters.

Miscellaneous Changes—Point of Enplanement Column. The instructions for reporting this item will be clarified to state that on weather or other diversions the planned rather than actual point of enplanement shall be reported.

Type of Aircraft Column. The instructions for reporting this item state that it shall reflect the code number for the type of aircraft operated as prescribed by the Board's Bureau of Accounts and Statistics. The Board has determined that while this reporting is appropriate for the certificated air carriers who are familiar with the Boards' codes, it is inappropriate for the foreign air carriers who are unfamiliar with these codes. Accordingly, Part 217 will be amended to permit foreign air carriers to report the code for the type of aircraft operated as provided in the "Official Airline Guide" (OAG).

Arrangement of Columns. In order to reduce needlessly repetitive reporting we have deleted the month and year columns and added a place to designate month and year in the heading of the report. We have grouped the three items which are common to all groups on a flight segment (*i.e.*, the date of enplanement, the type of aircraft, and the flight number) at the left of the form. To facilitate advance preparation of the form we have placed the only items which cannot be determined in advance (*i.e.*, the number of passengers in each group enplaned or tons of property enplaned) at the far right of the form. The new column designations are:

(1) Day of departure.

(2) Type of aircraft (CAB Code—T-6, OAG Code—217).

(3) Flight number.

(4) Type of charter group.

(5) Flight leg of group: 1, 2, 3 or 4.

(6) Point of enplanement of each group (OAG Code).

(7) Point of deplanement of each group (OAG Code).

(8) Number of seats contracted for by each group.

(9) Number of tons available for revenue property (aircraft capacity).

(10) Carrier's revenue for group by flight leg.

(11) Number of passengers in each group enplaned.

(12) Number of tons of property enplaned.

To the extent we have not discussed other specific comments advanced to further modify the proposed rule, we do not believe they have merit and they should be rejected.

In consideration of the foregoing, the Civil Aeronautics Board hereby amends Part 241 of the Economic Regulations (14 CFR Part 241), effective May 1, 1976, as follows:

1. Amend the list of due dates for Schedule T-6 in section 22—Due Dates of schedules in CAB Form 41 report—to read as follows:

DUE DATES OF SCHEDULES IN CAB FORM 41 REPORT

Due Date[1]	*Schedule No.*
Jan. 20	P-12, P-12(a).
Jan. 30	B-1, P-1(a), T-1, T-2, T-3, T-6, T-7, T-41.
Feb. 10[2]	A, B-2, B-3, B-4, B-5, B-7, B-7(b), B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-2, P-2(a), P-3, P-3(a), P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-8, P-9.1, P-9.2, P-10, P-11(a), P-11(b).
Feb. 20	P-12, P-12(a).
Mar. 1	B-1, P-1(a), T-1, T-7.
Mar. 20	P-12, P-12(a).
Mar. 30	A-2, B-1, B-41, B-43, B-44, B-46, P-1(a), G-41, G-42, G-43, G-44, T-1, T-7.
Apr. 20	P-12, P-12(a).
Apr. 30	B-1, P-1(a), T-1, T-2, T-3, T-6, T-7.
May 10	A, B-2, B-3, B-4, B-5, B-7, B-7(b), B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-2, P-2(a), P-3, P-3(a), P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-8, P-9.1, P-9.2, P-10, P-11(a), P-11(b).
May 20	P-12, P-12(a).
May 30	B-1, P-1(a), T-1, T-7.
June 20	P-12, P-12(a).
June 30	B-1, P-1(a), T-1, T-7.
July 20	P-12, P-12(a).
July 30	B-1, P-1(a), T-1, T-2, T-3, T-6, T-7.
Aug. 10	A, A-1, B-2, B-3, B-4, B-5, B-7, B-7(b), B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-2, P-2(a), P-3, P-3(a), P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-8, P-9.1, P-9.2, P-10, P-11(a), P-11(b).
Aug. 20	P-12, P-12(a).
Aug. 30	B-1, P-1(a), T-1, T-7.
Sept. 20	P-12, P-12(a).
Sept. 30	B-1, P-1(a), T-1, T-7.
Oct. 20	P-12, P-12(a).
Oct. 30	B-1, P-1(a), T-1, T-2, T-3, T-6, T-7, T-41.
Nov. 10	A, B-2, B-3, B-4, B-5, B-7, B-7(b), B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-2, P-2(a), P-3, P-3(a), P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-8, P-9.1, P-9.2, P-10, P-11(a), P-11(b).
Nov. 20	P-12, P-12(a).
Nov. 30	B-1, P-1(a), T-1, T-7.
Dec. 20	P-12, P-12(a).
Dec. 30	B-1, P-1(a), T-1, T-7.

[1] Due dates falling on a Saturday, Sunday or national holiday will become effective the first following working day.

[2] B and P reporting dates are extended to Mar. 30, if preliminary schedules are filed at the Board by Feb. 10.

2. Amend section 25—Schedule T-6—Summary of Civil Aircraft Charters—by revising the caption and text thereof to read as follows:

Schedule T-6—Report of Civil Aircraft Charters

(a) This schedule shall be filed by each route air carrier, except that intra-Alaskan charters performed by Alaskan air carriers shall not be reported.

(b) A complete report shall be made on this schedule for the overall or system operations conducted by the air carrier.

(c) Reporting of passenger flights shall be on a charter group basis, by flight legs; that is, there will be a separate line of data for each flight leg of each charter group which can be distinguished from another charter group on the same flight leg by charterer, type of charter, origin, destination, or duration of charter trip. All groups on the same flight must be reported on consecutive lines without intervening lines of data about groups on other flights. All flight legs should be reported in chronological order of dates of enplanement. (See item (h) below for identification of flight legs.)

(d) Each Schedule T-6 report submitted shall consist of three separate monthly reports within each of the respective calendar quarters and data for each flight leg shall be reported for the month in which the flight leg began. Since Schedule T-6 has been designed for direct key punching, the reported month, year, and name of carrier shall be inserted in the areas provided in the upper left hand corner of the report. The date area shall show the year first and then the month (*e.g.*, 7604 for April 1976); the carrier area shall show the carrier's standard 2-position alpha code as shown in the Official Airline Guide (OAG). If the carrier has no such code, it should leave those two positions blank until assigned a code by the Board's Bureau of Accounts and Statistics.

(e) Column (1) shall reflect the day of the month (1, 2, 3, *etc.*) in which the flight leg began.

(f) Column (2) shall reflect the code number for the type of aircraft operated as prescribed by the Board's Bureau of Accounts and Statistics.

(g) Column (4) shall reflect each type of charter by the following codes:

AB—Advance Booking
CP—Common Purpose (Canada, Yugoslavia originations)
EC—Entity—Cargo
EF—Entity—Cargo Forwarder
EP—Entity—Passenger
FT—Foreign Rule ITC
IT—ITC (Part 378 of the Board's Special Regulations)
OM—Overseas Military Personnel
OT—One-stop ITC (Part 378a of the Board's Special Regulations)
PR—Pro Rata Prior Affinity (Includes Mixed Charters)
SE—Special Event
SG—Study Group
TG—Travel Group

Charters flown for the transportation of charter traffic of another air carrier or foreign air carrier shall be reported solely by the carrier in operational control of the aircraft, naming the type of charter, *e.g.*, IT, and traffic carried. Charters flown to accommodate the scheduled traffic of another direct air carrier shall be reported as entity charters. Charters originating in the United States and flown to Canada with aircraft having a maximum takeoff weight greater than 18,000 pounds but not greater than 35,000 pounds shall be reported as Entity—Passenger or Entity—Cargo unless organized and operated pursuant to any Economic or Special Regulation for which the filing of preflight documentation with the Board is required. Charters originating in Canada and flown to the United States shall be identified by the codes AB, CP, EC, EP, or FT, as appropriate.

(h) Column (5) shall identify each leg by the following numbers:

1—One-way flight
2—Originating leg of round trip
3—Intermediate leg involving a stopover (applies only where a group made a distinguishable stopover, not merely, *e.g.*, a stop for entry inspection or refueling.)
4—Return leg of round trip

The outbound and return legs of any group movement shall in no instance be reported as one-way flight legs even if a separate contract has been entered into for each leg, whether with the same or a different carrier.

(i) Column (6) shall reflect any point at which a charter group, cargo load, or part of a group or load was enplaned. Departure points for ferry legs shall not be reported. Technical stops, *e.g.*, for departure formalities or refueling, shall not be reported. Where a diversion occurs for weather or other reasons, the planned rather than the actual point of enplanement shall be reported. The point of enplanement shall be identified by the three-letter airport code used in the Official Airline Guide (OAG). If no OAG code exists, the point of enplanement shall be written out, in a footnote if necessary.

(j) Column (7) shall reflect any point at which a charter group, cargo load, or part of a group or load was deplaned. Arrival points for ferry legs shall not be reported. Technical stops, *e.g.*, for entry formalities or refueling, shall not be reported. Where a diversion occurs for weather or other reasons, the planned rather than the actual point of deplanement shall be reported. The point of deplanement shall be identified by the three-letter airport code used in the Official Airline Guide (OAG). If no OAG code exists, the destination shall be written out, in a footnote if necessary.

(k) Column (9) shall reflect the entire capacity of the aircraft (to the nearest tenth of a short ton) and shall be completed for Entity—Cargo and Entity—Cargo Forwarder charters only.

(l) Column (10) shall reflect revenue in U.S. dollars only (no cents) for the flight leg being reported. For departing and returning legs of simple round trips, revenue shall be divided so that one-half of total revenue is shown for each flight leg. Where a different rate is charged for the outbound and the return flight legs, the actual charges for each leg shall be reported. For open-jaw or circle-tour trips, report actual revenue for each flight leg, prorating by each leg's mileage if necessary. Where ferry mileage is charged for, prorate the ferry charge over all legs of the total program. Separate revenue entries shall be made for each enplaning charter group. Revenues shall show the price paid for air transportation by the charterer, not the charterer's price to the passenger. In a "wet lease" charter, the lessor shall report the revenue it obtains from the lessee, and not the price the lessee charges the charterer.

(m) Column (12) shall reflect the number of tons (to the nearest tenth of a short ton) of property enplaned in Entity—Cargo and Entity—Cargo Forwarder charters only.

3. Amend the list of due dates for Schedule T-6 in section 32—Due Dates of schedules in CAB Form 41 report—to read as follows:

DUE DATES OF SCHEDULES IN CAB FORM 41 REPORT

Due Date [1]	*Schedule No.*
Jan. 20	P-12, P-12(a).
Jan. 30	B-11, T-3.1, T-6.
Feb. 10 [2]	A, B-1, B-2.1, B-7, B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-3.1, P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-11(a), P-11(b).
Feb. 20	P-12, P-12(a).
Mar. 1	B-11, T-3.1.
Mar. 20	P-12, P-12(a).
Mar. 30	A-2, B-11, B-41, B-43, B-44, B-46, G-41, G-42, G-43, G-44, T-3.1.
Apr. 20	P-12, P-12(a).
Apr. 30	B-11, T-3.1, T-6.
May 10	A, B-1, B-2.1, B-7, B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-3.1, P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-11(a), P-11(b).
May 20	P-12, P-12(a).
May 30	B-11, T-3.1.
June 20	P-12, P-12(a).
June 30	B-11, T-3.1.
July 20	P-12, P-12(a).
July 30	B-11, T-3.1, T-6.
Aug. 10	A, A-1, B-1, B-2.1, B-7, B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-2, P-3.1, P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-11(a), P-11(b).

[1] Due dates falling on a Saturday, Sunday or national holiday will become effective the first following working day.

[2] B and P reporting dates are extended to Mar. 30, if preliminary schedules are filed at the Board by Feb. 10.

Due Date[1]	Schedule No.
Aug. 20	P-12, P-12(a).
Aug. 30	B-11, T-3.1.
Sept. 20	P-12, P-12(a).
Sept. 30	B-11, T-3.1.
Oct. 20	P-12, P-12(a).
Oct. 30	B-11, T-3.1, T-6.
Nov. 10	A, B-1, B-2.1, B-7, B-8, B-10, B-12, B-13, B-14, P-1.1, P-1.2, P-2, P-3.1, P-4, P-5.1, P-5.2, P-5(a), P-6, P-7, P-11(a), P-11(b).
Nov. 20	P-12, P-12(a).
Nov. 30	B-11, T-3.1.
Dec. 20	P-12, P-12(a).
Dec. 30	B-11, T-3.1.

4. Amend section 35—Schedule T-6—Summary of Civil Aircraft Charters—by revising the caption and text thereof to read as follows:

Schedule T-6—Report of Civil Aircraft Charters

(a) This schedule shall be filed by each supplemental air carrier.

(b) Reporting of passenger flights shall be on a charter group basis, by flight legs; that is, there will be a separate line of data for each flight leg of each charter group which can be distinguished from another charter group on the same flight leg by charterer, type of charter, origin, destination, or duration of charter trip. All groups on the same flight must be reported on consecutive lines without intervening lines of data about groups on other flights. All flight legs should be reported in chronological order of dates of enplanement. (See item (g) below for identification of flight legs.)

(c) Each Schedule T-6 report submitted shall consist of three separate monthly reports within each of the respective calendar quarters and data for each flight leg shall be reported for the month in which the flight leg began. Since Schedule T-6 has been designed for direct key punching, the reported month, year, and name of carrier shall be inserted in the areas provided it the upper left hand corner of the report. The date area shall show the year first and then the month (*e.g.*, 7604 for April 1976); the carrier area shall show the carrier's standard 2-position alpha code as shown in the Official Airline Guide (OAG). If the carrier has no such code, it should leave those two positions blank until assigned a code by the Board's Bureau of Accounts and Statistics.

(d) Column (1) shall reflect the day of the month (1, 2, 3, *etc.*) in which the flight leg began.

(e) Column (2) shall reflect the code number for the type of aircraft operated as prescribed by the Board's Bureau of Accounts and Statistics.

(f) Column (4) shall reflect each type of charter by the following codes:

AB—Advance Booking
CP—Common Purpose (Canada, Yugoslavia originations)
EC—Entity—Cargo
EF—Entity—Cargo Forwarder
EP—Entity—Passenger
FT—Foreign Rule ITC
IT—ITC (Part 378 of the Board's Special Regulations)
OM—Overseas Military Personnel
OT—One-stop ITC (Part 378a of the Board's Special Regulations)
PR—Pro Rata Prior Affinity (Includes Mixed Charters)
SE—Special Event
SG—Study Group
TG—Travel Group

Charters flown for the transportation of charter traffic of another air carrier or foreign air carrier shall be reported solely by the carrier in operational control of the aircraft, naming the type of charter, *e.g.*, IT, and traffic carried. Charters flown to accommodate the scheduled traffic of another direct air carrier shall be reported as entity charters. Charters originating in the United States and flown to Canada with aircraft having a maximum takeoff weight greater than 18,000 pounds but not greater than 35,000 pounds shall be reported as Entity—Passenger or Entity—Cargo unless organized and operated pursuant to any Economic or Special Regulation for which the filing of preflight documentation with the Board is required. Charters originating in Canada and flown to the United States shall be identified by the codes AB, CP, EC, EP, or FT, as appropriate.

(g) Column (5) shall identify each leg by the following numbers:

1—One-way flight
2—Originating leg of round trip
3—Intermediate leg involving a stopover (applies only where a group made a distinguishable stopover, not merely, *e.g.*, a stop for entry inspection or refueling.)
4—Return leg of round trip

The outbound and return legs of any group movement shall in no instance be reported as one-way flight legs even if a separate contract has been entered into for each leg, whether with the same or a different carrier.

(h) Column (6) shall reflect any point at which a charter group, cargo load, or part of a group or load was enplaned. Departure points for ferry legs shall not be reported. Technical stops, *e.g.*, for departure formalities or refueling, shall not be reported. Where a diversion occurs for weather or other reasons, the planned rather than the actual point of enplanement shall be reported. The point of enplanement shall be identified by the three-letter airport code used in the Official Airline Guide (OAG). If no OAG code exists, the point of enplanement shall be written out, in a footnote if necessary.

(i) Column (7) shall reflect any point at which a charter group, cargo load, or part of a group or load was deplaned Arrival points for ferry legs shall not be reported. Technical stops, *e.g.*, for entry formalities or refueling, shall not be reported. Where a diversion occurs for weather or other reasons, the planned rather than the actual point of deplanement shall be reported. The point of deplanement shall be identified by the three-letter airport code used in the Official Airline Guide (OAG). If no OAG code exists, the destination shall be written out, in a footnote if necessary.

(j) Column (9) shall reflect the entire capacity of the aircraft (to the nearest tenth of a short ton) and shall be completed for Entity—Cargo and Entity—Cargo Forwarder charters only.

(k) Column (10) shall reflect revenue in U.S. dollars only (no cents) for the flight leg being reported. For departing and returning legs of simple round trips, revenue shall be divided so that one-half of total revenue is shown for each flight leg. Where a different rate is charged for the outbound and the return flight legs, the actual charges for each leg shall be reported. For open-jaw or circle-tour trips, report actual revenue for each flight leg, prorating by each leg's mileage if necessary. Where ferry mileage is charged for, prorate the ferry charge over all legs of the total program. Separate revenue entries shall be made for each enplaning charter group. Revenues shall show the price paid for air transportation by the charterer, not the charterer's price to the passenger. In a "wet lease" charter, the lessor shall report the revenue it obtains from the lessee, and not the price the lessee charges the charterer.

(l) Column (12) shall reflect the number of tons (to the nearest tenth of a short ton) of property enplaned in Entity—Cargo and Entity Cargo Forwarder charters only.

5. Amend CAB Form 41 Schedule T-6 by revising this form as shown in Exhibit A.[8]

(Secs. 204(a) and 407 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 766; 49 U.S.C. 1324, 1377.)

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR, *Acting Secretary*.

[FR Doc.76-8527 Filed 3-24-76;8:45 am]

[Regulation ER-948, Amdt. 20]

PART 241—UNIFORM SYSTEM OF ACCOUNTS AND REPORTS FOR CERTIFICATED AIR CARRIERS

Updating the Accounting Provisions

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., March 9, 1976.

[8] Filed as part of the original document.

In a Notice of Proposed Rulemaking dated November 19, 1975 (EDR-291, 40 F.R. 54813), the Board proposed to update the accounting provisions to recognize changes in accounting principles, developments in air transportation, and the needs of the Board.

Pursuant to the subject notice, timely comments were received from the following air carriers: American Airlines, Inc.; Delta Air Lines, Inc.; The Flying Tiger Line, Inc.; Frontier Airlines, Inc.; Hughes Air Corporation d.b.a. Hughes Airwest; Northwest Airlines, Inc.; Pan American World Airways, Inc.; Southern Airways, Inc.; Trans World Airlines, Inc.; United Air Lines, Inc.; Western Air Lines, Inc.; and a joint comment from Trans International Airlines, Inc.; and World Airways, Inc.

All of the responses received supported the proposed rule, either completely or partially. Some of the respondents, however, disagree with certain specific provisions of the proposed rule; while others recommend certain editorial changes in the proposed rule.

Upon full consideration of the relevant matter contained in the comments, we have decided to adopt the rule substantially as proposed. Therefore, except as modified, the tentative findings set forth in the Explanatory Statement to the proposed rule are incorporated by reference and made final. The following are the most significant modifications to the rule as it was proposed: (1) eliminating the existing 18-month prior-approval requirement relative to the effective date of any change in the method of accounting for the investment tax credit; (2) modifying the definition of materiality to include items which would be considered material for the purpose of filing the Securities and Exchange Commission's Form 10-K; (3) amending the applicability of the section on accounting for overhauls to permit air carriers who use the reserve method for existing aircraft to continue its use for all aircraft of that type even if acquired after January 1, 1976; however, either the direct expensing method or the deferral and amortization method would still be required for all new types of aircraft acquired after January 1, 1976; (4) adding a statement that when the estimated useful life or residual value of depreciable equipment is changed, the revised useful life or residual value will be effective as of the beginning of the calendar or fiscal period during which the change was adopted; (5) modifying the maximum run-out period for examining documents relative to a carrier's air traffic liability, applicable to "all other route air carriers," to permit a six-month maximum run-out period; (6) eliminating the required use of the end of a calendar quarter as the cut-off date for the physical verification of Account 2160 "Air Traffic Liability" and establishing that the cut-off date shall be the end of a calendar month; (7) modifying the proposed rule to allow air carriers who use the sales-lift match method to determine their air traffic liability without having to distinguish between the unmatched tickets due to loss in processing and those that were never presented for use.

These and other matters will be discussed below:

1. *18-Month Prior-Approval Requirement for Changes in the Accounting Treatment of Investment Tax Credits*—Both United and Western question the need for the continuation of the Board's existing requirement for an 18-month prior approval before the effective date of any change in accounting method relative to the investment tax credit. Initially, this existing requirement was instituted to provide for consistency in the use of accounting method. However, since the proposed rule provides for consistency in accounting treatment of investment tax credits and due to the fact that any changes in accounting method must be approved by the Department of the Treasury, we feel that the 18-month prior-approval requirement is not necessary and therefore we have removed it from the regulations.

2. *Omission of Criteria for Determining Materiality Pending Definitive Action by the FASB*—It was suggested by Southern Airways and American Airlines that the Board modify the proposed rule to delete the Board's present criteria for determining materiality until the Financial Accounting Standards Board (FASB) completes its review and issues a standard for such criteria. The air carriers are of the opinion that by deleting our existing criteria we would avoid any future conflicts between Form 41 reporting and corporate financial reporting. However, the Board feels that until such time as a standard for determining materiality is issued by the FASB, the Board should continue using the current criteria regarding what constitutes materiality in reporting disclosures. In line with the air carriers' comments, however, the Board has decided to modify its existing criteria for determining materiality to make it more in consonance with the current generally accepted accounting concept of materiality. Under this modification an item will be considered to be material if it meets either of the following criteria: (1) the item would be considered material for the purposes of filing SEC Form 10-K or (2) the item exceeds one-half of one percent of the twelve-months-to-date total operating revenues or total operating expenses, depending on the nature of the item. These criteria will be re-examined after definitive action in this area has been taken by the FASB.

3. *Accounting for Overhauls*—Concern has been expressed by Frontier, Trans International, World and Flying Tiger as to whether the use of an overhaul reserve system will be an acceptable method of accounting for overhauls. These air carriers have all commented that they utilize the reserve accrual method in accounting for overhauls and would like to continue to do so.

We agree with the carriers in one respect, that is, if the reserve system is used for existing aircraft it ought to be continued for all aircraft of that type even if acquired after January 1, 1976. This will allow for consistency in accounting treatment for the same type of aircraft. However, we also feel that the use of the reserve method should not be permitted for new types of aircraft acquired after January 1, 1976.

Recent technological advances in the maintenance of airframes and aircraft engines have resulted in the wider use of continuous overhaul programs, where overhauls are performed in various phases on a more frequent basis than the "block" or "one-shot" overhauls. These changes have resulted in many carriers changing to direct expensing in accounting for overhauls. In instances where direct expensing would not produce an equitable allocation of costs between accounting periods, some carriers have found that reserve accruals are unduly complicated because depreciation exclusions and accrual periods are difficult to determine. Some carriers, therefore, have requested waivers to permit the use of the deferral and amortization method of accounting for overhauls under such circumstances. This rule will recognize these changes as a firmly established trend, within the air carrier industry, which is expected to continue well into the future.

Also relative to accounting for overhauls, Hughes Airwest has indicated a concern for the fact that the proposed rule does not deal with the so-called "free ride" from the date a newly acquired airframe or engine is placed into service to the date of the initial overhaul. Our intention is to provide a reasonable basis for the allocation of overhaul expenses to the accounting periods which they benefit. In assigning the cost of overhauls, the accounting periods benefited by such costs are the periods subsequent to the date of the overhaul. The purpose of incurring overhaul expenses is not to account for the depreciation of the assets prior to the overhaul, but it is to render the assets serviceable for future periods. Therefore, the deferral and amortization method of accounting for overhauls represents a more equitable method than the reserve accrual method for allocating overhaul costs to the periods which are benefited. Moreover, the "free ride" period, which Hughes Airwest suggests would result from the use of the deferral and amortization method, currently exists without expressed concern for those carriers who use the direct expense method which is the predominant method of accounting for overhauls within the industry today.

4. *Determination of the Effective Date of a Change in the Estimated Useful Lives or Residual Values of Equipment*—American has requested, in its comments, further review and clarification of the problems encountered in changing the estimated useful lives of equipment, specifically the problem of determining the effective date of a change. In keeping with our stated objectives, we feel that the rule should be amended to state that when a change in the estimated useful lives or residual values of equipment is adopted during an accounting period, the beginning of the calendar or fiscal period

shall be used as the effective date for such changes. This addition to the rule further conforms the regulations to generally accepted accounting principles.

5. *Determination of Air Carriers' Air Traffic Liability*—In the area of unearned transportation revenues, we received comments from Airwest, Frontier, Northwest, Pan American, Southern, Trans World and Western. These comments covered three areas: (1) the run-out period for examining the documentation relative to air traffic liability; (2) the cut-off date for the physical verification of the air traffic liability account; and (3) the determination of the amount of earned revenue resulting from lifted coupons which are lost, destroyed, or mutilated prior to the matching process.

Airwest, Frontier, and Southern are opposed to the use of a three-month maximum run-out period, which under the proposal would have applied to them, for examining the documentation relative to the air traffic liability account. They state that their experience reveals this to be too short a period for properly determining their air traffic liability. Therefore, all three air carriers have recommended a six-month run-out period. In the interest of accounting accuracy, we feel that this is a reasonable request. Therefore, we have modified the rule to allow for a six-month maximum runout period to be applicable to the "all other route carriers" category.

Frontier, Northwest, and Western have objected to the requirement specifying the use of the end of a calendar quarter as the cut-off date for the physical verification of the air traffic liability. The carriers have cited certain practical difficulties which would accompany the use of the end of a quarter as the cut-off date. The difficulties encountered under the proposed rule would be the lack of an adequate run-out period after the cut-off date and the need to allow enough time for the public accountants to consider any adjustments to the air traffic liability account when certifying the year-end financial statements. It appears that in some instances difficulties will result from using the end of a calendar quarter as a cut-off date. We have, therefore, modified the rule to require air carriers to use the end of a month as a cut-off date for verification purposes.

Pan American and Trans World have objected to the requirement, contained in the proposed rule, that a differentiation be made between unmatched sales-lift coupons which have been lost, destroyed, mutilated, or unrecorded during processing and those which were unused or unpresented for use or refund. The carriers' objections are applicable only to those air carriers which utilize a sales-lift match method of accounting for earned revenue. According to their viewpoint, there is no way that a carrier can distinguish between the two types of unmatched sales-lift coupons and, therefore, there should be no requirement for such differentiation. We feel that the carriers' objections are valid. Also, based on the carriers' contentions, it appears that unused or unpresented coupons do not represent a significant portion of the unmatched coupons. Therefore, the rule has been modified to permit the air carriers who use a sales-lift match method to determine earned revenues without having to differentiate between coupons lost or unrecorded and those that were unused or unpresented.

6. *Other Matters*—Western feels that the proposal, as written, goes away from the current clean surplus method of accounting for prior period adjustments. However, in defining a prior period adjustment, the type of which we would require to be treated as an adjustment of the opening balance of retained earnings, we have followed the requirements of Opinions 9, 20, and 30 of the Accounting Principles Board. Even though our proposal would depart slightly from the clean surplus method, this approach is warranted in order for us to achieve the objective of conforming the current regulations to generally accepted accounting principles. Therefore, in keeping with our stated objectives, no adjustment to the proposed rule will be made.

In another comment, United objected to the Board's proposal to eliminate self-insurance reserves. In our proposed rule, Account 2350 "Self-Insurance Reserve," was eliminated in order to comply with the requirements of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 5, Accounting for Contingencies. We also note that United eliminated its self-insurance reserve account in its published financial statements. Moreover, since the foremost accounting authority has seen fit to eliminate such reserves, and in view of our stated objective of increasing the conformance of the regulations to generally accepted accounting principles, we feel that self-insurance reserves should be eliminated from the CAB Form 41 reports.

Airwest and Delta have commented, by way of reference to Board Orders 75-8-103 and 75-8-104, that the accounts relative to security surcharges should be eliminated from the CAB Form 41 reports. The Board, through the referenced Board Orders, made the determination to cancel security surcharges and to treat security costs the same as other costs for ratemaking purposes. Subsequently, certain air carriers petitioned the Board to delay the effective date of the Order. It has been subsequently ordered that the final effective date for the air carriers to include security costs in their tariff schedules is April 1, 1976.[1] As a result of this decision, there is no longer any regulatory need for separate data related to boarding security; therefore, we will eliminate the security charge revenue and expense accounts from Form 41 with this amendment. This amendment will also have the effect of rescinding Accounting and Reporting Directive No. 11, "Accounting Treatment for Security Charges and Related Incremental Security Costs," issued on May 22, 1973, by the Board's Bureau of Accounts and Statistics.

Northwest has expressed concern over our proposal to eliminate Account 1604 "Aircraft Communications and Navigational Equipment" and Account 1606 "Miscellaneous Flight Equipment." Their main objection is that the proposed rule would require the capitalization of a portion of a fly-away operating unit into spare parts. However, Northwest's concern appears to be unfounded. The intent of the proposed rule is that Account 1601 "Airframes" will include the cost of a complete fly-away operating unit including all installed equipment with the exception of engines. Only the spare equipment which is not installed in an aircraft will be accounted for through Account 1608 "Flight Equipment Rotatable Parts and Assemblies." Engines will continue to be accounted for separately in Account 1602 "Aircraft Engines."

The Board recognizes that there may be exceptions in the application of uniform reporting requirements and wishes to call attention to section 1-2 of Part 241 of the Economic Regulations which sets forth the criteria for requesting waivers from any provision of this system of accounts and reports.

Hughes Airwest and Northwest have suggested that certain editorial changes be made to the proposed rule. These changes have been reviewed and where appropriate incorporated herein. These changes do not alter either the intent or the substance of the rule.

It was proposed in EDR-291 that these changes should be made effective January 1, 1976, on the basis that the regulation imposes no new recordkeeping requirements and implementation should not be unduly burdensome. Since no negative comments were received on this proposed effective date and because a January 1, 1976, effective date would avoid the inconsistencies that would result from a change in accounting procedures during an accounting year, we find good cause to make this rule effective on less than 30 days' notice. We wish to point out that since the effective date has been made retroactive, insofar as any CAB Form 41 reports which are already on file with the Board, no adjustments will be necessary to conform such reports to the reporting requirements contained in this rule.

In consideration of the foregoing, the Board hereby amends Part 241 of the Economic Regulations (14 CFR Part 241) effective January 1, 1976, as follows:

1. Amend Section 03—Definitions for Purposes of This System of Accounts and Reports to insert new definitions as follows:

A. By adding a new definition immediately following "Debt, expense on" to read:

Deferred taxes—tax effects which are deferred for allocation to income tax expense of future periods.

B. By adding two new definitions immediately following "Improvement" to read:

[1] See Board Order 75-12-157.

Income tax expense—the amount of income taxes (whether or not currently payable or refundable) allocable to a period in the determination of net income.

Income taxes—taxes based on income determined under provisions of the United States Internal Revenue Code and foreign, state, and other taxes (including franchise taxes) based on income.

C. By adding a new definition immediately following "Interchange Agreement" to read:

Interperiod tax allocation—the process of apportioning income taxes among periods.

D. By adding a new definition immediately following "Inventory, Perpetual" to read:

Investor controlled company (for purposes of applying the equity method of accounting)—any business entity in which the accounting air carrier is able to exercise significant influence over operating and financial policies of the issuing company. Significant influence will be presumed, unless established to the contrary by waiver request, with ownership of 20 percent or more of the outstanding voting capital stock. Ability to exercise influence may be indicated in several ways, such as representation on the Board of Directors, participation in policy-making processes, material intercompany transactions, interchange of managerial personnel, or technological dependency. Investor controlled companies shall also be regarded as associated companies for purposes of this system of accounts (see also Associated company).

E. By adding a new definition immediately following "Premium (as applied to securities issued or assumed by the air carrier)" to read:

Pretax accounting income—income or loss for a period exclusive of related income tax expense.

F. By adding two new definitions immediately following "Tariff, published" to read:

Taxable income—the excess of revenues over deductions or the excess of deductions over revenues to be reported for income tax purposes for a period.

Tax effects—differentials in income taxes of a period attributable to (1) revenue or expense transactions which enter into the determination of pretax accounting income in one period and into the determination of taxable income in another period, (2) deductions or credits that may be carried backward or forward for income tax purposes, and (3) adjustments of prior periods (or of the opening balance of retained earnings) and direct entries to other stockholders' equity accounts which enter into the determination of taxable income in a period but which do not enter into the determination of pretax accounting income of that period. A permanent difference does not result in a "tax effect" as the term is used in this System of Accounts and Reports.

2. Amend Section 04 to read as follows:

Section 04—Air Carrier Groupings and Standard Name Abbreviations

Name	*Abbreviations*
Group I route air carriers:	
Air Micronesia, Inc	Air Micronesia.
Aspen Airways, Inc	Aspen.
Chicago Helicopter Airways, Inc	Chicago Helicopter.
Kodiak-Western Alaska Airlines, Inc	Kodiak.
Munz Northern Airlines, Inc	Munz.
New York Airways, Inc	NY Airways.
Reeve Aleutian Airways, Inc	Reeve.
SFO Helicopter Airlines, Inc	SFO Helicopter.
Wien Air Alaska, Inc	Wien.
Wright Air Lines, Inc	Wright.
Group II route air carriers:	
Airlift International, Inc	Airlift.
Aloha Airlines, Inc	Aloha.
Group III route air carriers:	
Air New England, Inc	Air New England.
Alaska Airlines, Inc	Alaska.
Allegenhy Airlines, Inc	Allegheny.
American Airlines, Inc.[1]	American.
Braniff Airways, Inc.[1]	Braniff.
Continental Air Lines, Inc.[1]	Continental.
Delta Air Lines, Inc.[1]	Delta.
Eastern Air Lines, Inc.[1]	Eastern.
The Flying Tiger Line Inc	Flying Tiger.
Frontier Airlines, Inc	Frontier.
Hawaiian Airlines, Inc	Hawaiian.
Hughes Air Corp., d.b.a. Hughes Airwest	Airwest.
National Airlines, Inc.[1]	National.
North Central Airlines, Inc	North Central.
Northwest Airlines, Inc.[1]	Northwest.
Ozark Air Lines, Inc	Ozark.
Pan American World Airways, Inc	Pan American.
Piedmont Aviation, Inc	Piedmont.
Seaboard World Airlines, Inc	Seaboard.
Southern Airways, Inc	Southern.
Texas International Airlines, Inc	Texas.
Trans World Airlines, Inc.[1]	Trans World.
United Air Lines, Inc.[1]	United.
Western Air Lines, Inc.[1]	Western.
Group I Supplemental Air Carriers:	
Evergreen International Airlines, Inc	Evergreen.
McCulloch International Airlines, Inc	McCulloch.
Group II Supplemental Air Carriers:	
Capitol International Airways, Inc	Capitol.
Modern Air Transport, Inc	Modern.
Overseas National Airways, Inc	Overseas.
Saturn Airways, Inc	Saturn.
Trans International Airlines, Inc	Trans International.
World Airways, Inc	World.

[1] Trunk air carriers.

3. Amend Section 1–9—conversion to this System of Accounts and Reports by revising the text of paragraph (a) to read as follows:

Sec. 1–9 Conversion to this system of accounts and reports.

(a) Upon the adoption of this system of accounts and reports all balance sheet account balances shall be restated as of the effective date of the regulation to conform with the provisions of this Part except as provided in this section 1–9. All necessary adjustments shall be accumulated in an appropriate clearing account and the net transferred to profit and loss classification 9700 Extraordinary Items.

* * * * *

4. Amend Section 2–6—Federal Income Tax Accruals by changing the section title and revising the text to read as follows:

Sec. 2–6 Income tax accruals.

(a) All income taxes shall be accrued by proportionate charges or credits to income in each calendar quarter. The interperiod tax allocation method shall be applied for all material timing differences between pretax accounting income and taxable income.

(b) The tax effect of timing differences which increase or decrease taxes currently payable shall be recognized in balance sheet account 2340, Deferred Income Taxes. Any resulting net debit balance in this account shall be treated for statement purposes as a special subaccount in balance sheet account 1890, Other Deferred Charges. In effecting these accruals, records with respect to deferred taxes (including foreign, state and local taxes based upon income) shall be maintained in accordance with the provisions of balance sheet account 2340, Deferred Income Taxes.

(c) The tax effects of any realizable tax carrybacks shall be recognized in the determination of net income (loss) of the loss periods; appropriate adjustments of existing deferred income taxes may be necessary.

(d) The benefits of loss carryforwards shall normally be recognized in the year in which such loss is applied to reduce income taxes. However, in unusual circumstances when realization is assured beyond a reasonable doubt, the future benefits may be recognized in the year of loss. In cases where deferred taxes attributable to prior timing differences exist to recognize all or a portion of the loss carryforward, an appropriate amount of the benefit may be offset against deferred taxes. However, net deferred taxes attributable to prior timing differences which would not be amortized until after the expiration of the carryforward period, shall not be offset by loss carryforwards.

(e) At the option of the air carrier, investment tax credits may be treated as a reduction of income tax expense in the year they are actually realized (flow-through method) or they may be deferred and amortized over the useful life of the property to which it relates and they shall be accounted for in accordance with the provisions of balance sheet accounts 2131 Accrued Income Taxes, 2340 Deferred Income Taxes, and 2345 Deferred Investment Tax Credits.

5. Amend Section 2-7—Delayed Items by changing the title and revising the text to read as follows:

Sec. 2-7 Extraordinary items, discontinued operations, prior period adjustments, and accounting changes.

(a) All items affecting net income, including revenue and expense adjustments, shall be reported in the profit and loss accounts to which they relate unless evidence clearly supports their treatment as an extraordinary item, as a discontinued operation, a prior period adjustment, or a change in accounting principle.

(b) Extraordinary items recorded in Section 9700 shall be characterized by their unusual nature and infrequent occurrence, taking into account the environment in which the air carrier operates. They must also be material. In this context, unusual means that the underlying event or transaction is abnormal and significantly different from the ordinary and typical activities of the air carrier, and infrequently occurring means that the event or transaction is not reasonably expected to recur in the foreseeable future.

(c) The materiality of an unusual and infrequently occurring event or transaction should be measured in relation to its impact on net income (loss) before extraordinary items or to the trend of earnings. As a standard practice, an unusual and infrequently occurring event or transaction shall be deemed to have a material impact on income (loss) before extraordinary items if it would be considered material for the purposes of filing the Securities and Exchange Commission's Form 10-K or if it exceeds one-half of one percent of the twelve-months-to-date total operating revenues or total operating expenses, depending on the nature of the item. When an item is not material but does exceed one percent of the total functional classification of which it is a part, it shall be included in the ordinary account to which applicable, and footnoted on CAB Form 41 schedule P-2. As a general rule, items shall be considered separately rather than in the aggregate. However, the effects of a series of related transactions arising from a single specific and separately identifiable event or plan of action shall be aggregated for the purpose of determining materiality.

(d) Events or transactions which are material as determined in conjunction with the criteria set forth in paragraph (c) above and are either unusual or nonrecurring, but not both, should be disclosed on CAB Form 41 schedule P-2. The events or transactions should be identified both as to their nature and their financial effects.

(e) The earnings (losses) of discontinued nontransport operations shall be reported separately from transport, transport-related and continuing nontransport operations and separately from extraordinary items. In addition, any gain or loss from the disposal of a nontransport operation shall be reported in conjunction with the related results of discontinued nontransport operations in functional classification 9600 and not as an extraordinary item. For the purposes of this system of accounts and reports discontinued nontransport operations shall refer to the disposal of investor controlled companies and the cessation of nontransport operations, the results of which are accounted for through profit and loss objective accounts 84 and 86.

(f) All material adjustments which can be specifically identified with and directly related to business activities of particular prior periods shall be reflected as adjustments of the opening balance of retained earnings. In order to qualify for such treatment the adjustment must not be attributable to economic events occurring subsequent to the date of financial statements for the prior period; it must depend primarily on determinations by persons other than management; and not be susceptible of reasonable estimation prior to such determination. Corrections of errors in financial statements of a prior period should be disclosed as a prior period adjustment in the period in which the error was discovered and corrected. Materiality should be determined using the criteria set forth in paragraph (c) above.

(g) The cumulative effect of changes in accounting principle shall be reflected in the account provided for in the determination of net income and clearly and completely described in notes to the income statement (see section 18). The amount of the cumulative effect of a change in accounting principles shall represent the difference between (a) the amount of retained earnings at the beginning of the period of the change and (b) the amount of retained earnings that would have been reported at that date if the new accounting principle had been applied retroactively for all prior periods which would have been affected by recognizing only the direct effects of a change and the related income tax effect. Financial statements of prior periods shall not be restated without the prior approval of the Director, Bureau of Accounts and Statistics. Changes in accounting estimates shall be accounted for in (a) the period of change if the change affects that period only or (b) the period of change and future periods if the change affects both. Materiality should be measured both in relation to the effects of each change separately and the combined effect of all changes.

6. Amend Section 2-12—Acquisition and Valuation of Assets by revising paragraph (a)(1) to read as follows:

Sec. 2-12 Acquisition and valuation of assets.

(a) * * *

* * * * *

(1) Investments in investor controlled companies (as that term is defined in section 03) shall be recorded at cost (except as provided in section 5-2(c)) plus the equity in the undistributed earnings or losses of such companies since acquisition. (Investments in associated companies, other than investor controlled companies, and other companies shall be recorded at cost, except as provided in section 5-2(c).)

* * * * *

7. Amend Section 2-13—Establishment of Reserves by deleting and reserving paragraph (c) to read as follows:

(c) [Reserved.]

8. Amend Section 2-17—Revenue Accounting Practices to read as follows:

Sec. 2-17 Revenue and accounting practices.

(a) Revenue accounting practices shall conform to the provisions of account 2160, Air Traffic Liability.

(b) Physical verification of the reliability of passenger revenue accounting practices shall be made at least once each accounting year by each route air carrier and an analysis showing the results of such verification shall be submitted to the Board within 30 days following its completion.

(c) For those carriers who use the yield or average-fare method to determine earned revenue, the analysis supporting the verification shall include:

(1) The cutoff date for the liability to be verified; such cutoff date shall be at the end of a calendar month.

(2) The number of months after the cutoff date during which documents were examined to verify the liability; the number of months after the cutoff date during which documents are examined shall not exceed the maximums set forth below:

Class of carrier:	*Maximum months* [a]
TWA and Pan American	18
Trunks (except TWA and Pan American)	12
All other route air carriers	6

[a] Applies only to carriers on a yield or average-fare basis.

(3) The nature of the documents which were examined for purposes of the verification.

(4) The totals for each of the various types of documents examined, on actual or sampling basis.

(5) A description of the sampling technique and conversion to totals, if sampling was employed.

(6) The amount and basis for all estimates employed in the verification.

(7) The amount of resulting adjustments and the quarter in which such

adjustments were, or are to be, made in the accounts.

(d) For those carriers who use the sales-lift match method to determine earned revenue, the analysis supporting the physical inventory verification shall include:

(1) The cutoff date for the liability to be verified; such cutoff date shall be at the end of a calendar month.

(2) A trial balance as of the cutoff date of all subaccounts supporting the Air Traffic Liability control account; the subsidiary trial balance must agree with the Air Traffic Liability control account or a reconciliation statement furnished.

(3) A statement to the effect that a sales listing of the value of all unmatched auditor coupons has been compiled and compared to the general ledger control figure; the statement required by this subparagraph shall indicate whether or not the value of the unmatched coupons is in agreement with the general ledger. If the sales listing is not in agreement with the Air Traffic Liability control account, the amount of such difference shall be shown on such statement.

(e) Those carriers who are on a sales-lift match method for determining earned revenue shall submit to the Board an annual statement showing the value of purged auditor coupons from the sales listing, during the calendar year, by quarters. This statement shall accompany the analysis supporting the physical verification, as described in paragraph (b) above.

(f) An annual statement shall be filed with the Board by those carriers who use the sales-lift match method to determine earned revenue, showing the value of revenue earned due to loss, destruction, or mutilation of lifted coupons from passengers who have been furnished transportation. This statement shall show the basis used in computing the amount of revenue taken up as income. The amount of revenue shall be shown by calendar quarters. The statement shall accompany the analysis supporting the physical verification, as described in paragraph (b) above.

9. Amend Section 3—Chart of Balance Sheet Accounts to read in pertinent part as follows:

BALANCE SHEET CLASSIFICATIONS

Section 3—Chart of Balance Sheet Accounts

Name of account	General classification	
* * *	* * *	
Investments and special funds:		
Investments in associated companies	1510	
Investments in investor controlled companies	1510.1	
Investments in other associated companies	1510.2	
Advances to nontransport divisions	1520	
Other investments and receivables	1530	
Special funds—other	1550	
* * *	* * *	
	Operating	Nonoperating
* * *	* * *	* * *
Airframes	1601	1701
Airframes	1601.1	1701.1
Unamortized airframe overhauls	1601.2	1701.2
Aircraft engines	1602	1702
Aircraft engines	1602.1	1702.1
Unamortized aircraft engine overhauls	1602.2	1702.2
Improvements to leased flight equipment	1607	1707
* * *	* * *	* * *
Reserve for depreciation—airframes	1611	1711
Reserve for depreciation—aircraft engines	1612	1712
Reserve for depreciation—improvements to leased flight equipment	1617	1717
* * *	* * *	* * *
	General classification	
	* * *	
* * *	* * *	
Deferred charges:		
Long-term prepayments	1820	
Developmental and preoperating costs	1830	
Unamortized expense on debt	1840	
Unamortized capital stock expense	1850	
* * *	* * *	
Current liabilities:		
Current notes payable	2010	
Accounts payable general	2020	
Collections as agent—other	2040	
* * *	* * *	
Accrued personnel compensation	2110	
Accrued vacation liability	2120	
Accrued income taxes	2131	
Other accrued taxes	2139	
Dividends declared	2140	
Air travel plan liability	2150	
Air traffic liability	2160	
Other current liabilities	2190	
* * *	* * *	
Deferred credits:		
Deferred income taxes	2340	
Deferred investment tax credits	2345	
Other deferred credits	2390	
* * *	* * *	

10. Amend Section 5—Balance Sheet Account Groups as follows:

A. By revising section 5-2(b) to read:

Sec. 5-2 Investments and special funds.

* * * * *

(b) Investments in associated companies, other than those defined in section 03 as investor controlled companies, and investments in other than associated companies shall be recorded at cost, except as provided in paragraph (f) of this section. Investments in investor controlled companies shall be recorded at cost, except as provided in paragraph (c), plus the equity in undistributed earnings or losses since acquisition.

* * * * *

B. By revising paragraphs (f) and (g) of section 5-4 to read:

Sec. 5-4 Property and equipment depreciation and overhaul.

* * * * *

(f) Airframe and aircraft engine overhauls shall be expensed directly as performed when this will produce a relatively equitable allocation of total maintenance costs between accounting years. In the event that direct expensing of overhauls will distort maintenance expense charges between calendar quarters, reserves may be established to equalize or distribute maintenance expense charges between calendar quarters of each accounting year in accordance with operations performed consistent with provisions of section 2-13(d). For the purposes of this system of accounts and reports, an airframe or aircraft engine "overhaul" shall be deemed to encompass the total of those inspections or replacements of major components performed in phases, or in one operation, as are required to be performed at specified maximum periodic intervals by the Civil Air Regulations to recertify that airframes or aircraft engines are in a completely airworthy condition. Costs which attach to the routine replacement of minor parts and servicing or inspection of airframes and aircraft engines, performed on a recurrent but not scheduled basis, or on a scheduled basis without withdrawal from line service, to maintain airframes and aircraft engines in an operating condition, shall not be considered to be "overhauls" and shall be expensed directly as ordinary recurrent maintenance. Extraordinary costs of material amounts associated with the renewal of major structural parts of airframes and aircraft engines beyond the scope of normal periodic overhauls, or which are incurred at periodic intervals approximating the depreciable service life of the airframe and aircraft engine types to which related, shall not be considered overhauls. Such costs shall be accounted for as restoration of assets chargeable to the related property accounts. The cost of components removed, together with related reserves, shall be treated as retired property and accounted for accordingly. In the event identification of the cost of the components removed is not feasible, the costs incurred in substituting components may be charged against the related depreciation reserves.

(g) The accounting procedures in this paragraph (g) shall be observed as a consistent practice for all airframe or aircraft engine types (both owned and leased) for which the direct expensing of overhaul costs as incurred will distort total maintenance expense between accounting years. However, if an air carrier has been using the reserve method of accounting for overhauls prior to January 1, 1976, an election may be made to continue the use of this method for all existing aircraft types and for all aircraft of the same type even if acquired after January 1, 1976, but, for new types of aircraft acquired after this date, the following procedures shall be observed.

(1) When the period benefited by the performance of an overhaul is greater than one accounting year and overhauls are scheduled in such a manner that the direct expensing of overhauls as performed will not result in an equitable allocation of total maintenance expense between accounting years, the costs of such overhauls shall be deferred and amortized over the period benefited. An overhaul permits the use of an airframe or aircraft engine for subsequent additional periods in conformity with overhaul procedures approved by the Federal Aviation Administration. The period benefited by an overhaul is the authorized interval until the related overhaul procedures are required to be performed again. The costs of airframe and aircraft engine overhauls shall not be accrued in advance by charges to maintenance expense before the costs are incurred; except that, equalization reserves may be established pursuant to section 2-13 (d) to distribute expense charges between calendar quarters of each accounting year in accordance with operations performed.

(2) When overhauls are performed, the related costs of labor, materials, outside overhauls, and maintenance burden shall be charged to the applicable direct maintenance and maintenance burden objective expense accounts as incurred. With respect to those airframe or aircraft engine types for which overhauls are being deferred and amortized, a project cost ledger shall be maintained to control and identify overhauls costs, and the accumulated overhauls costs shall be debited each month to appropriate subaccounts of the related airframe, aircraft engine, or leasehold improvement accounts with a corresponding credit to account 72.3 Airframe Overhauls Deferred (Credit) or account 72.8 Aircraft Engine Overhauls Deferred (Credit).

(3) Upon completion of each overhaul phase or project, the deferred costs shall be amortized to account 72.4 Amortization of Airframe Overhauls or to account 72.9 Amortization of Aircraft Engine Overhauls over the authorized interval until the related overhauls procedures are required to be performed over again.

(4) When improvements and betterments of owned airframes or aircraft engines are effected in conjunction with overhauls of such property, the costs related to such improvements or betterments shall be charged to the appropriate asset subaccount for depreciation over the remaining service life.

(5) Upon retirement of owned airframes or aircraft engines, the applicable unamortized overhaul costs shall be transferred, along with the cost and related depreciation reserves of the property retired, to profit and loss account 81 Capital Gains and Losses.

(h) In accordance with the provisions of section 22(d) or 32(d), as applicable, each air carrier shall file with the Civil Aeronautics Board a statement fully describing its plans of accounting for airframe and aircraft engine overhauls. The required statement shall indicate for each airframe or aircraft engine type whether the costs of overhauls related thereto are, as a matter of consistent practice, expensed directly or deferred and amortized. If deferred and amortized, the statement shall indicate whether projects are established for individual units or on a group basis for specific types of airframes or aircraft engines, the types of cost deferred, the basis for maintenance burden rates, the time between overhauls, and the amortization period and basis.

C. By revising section 5-7(a) to read:

Sec. 5-7 Noncurrent liabilities.

(a) This classification shall include all debts or obligations the liquidation or payment of which is not reasonably expected to require the use within one year of existing resources of a type which are properly classifiable as current assets or the creation of current liabilities. Noncurrent liabilities shall include mortgages, bonds and debentures maturing more than one year from the date of the balance sheet, and other obligations not payable within twelve months. Expense on long-term debt assumed by the air carrier shall be recorded as a deferred charge and discounts or premiums on nontrade debt should be recorded as a deduction from or addition to the face amount of the liability through the use of a subaccount in the account used to record the liability. Subaccounts shall be maintained in such a manner as to enable identification of each discount or premium with the debt issue to which it relates. Such discounts or premiums shall be amortized through profit and loss account 87 Interest and Debt Expense on a basis which applies a constant rate of interest to the balance outstanding at the beginning of each quarter. When debt securities are issued with warrants to purchase stock, the portion of the proceeds attributable to the warrants shall be accounted for as paid-in capital by crediting account 2890.3 Other Capital Stock Transactions.

* * * * *

D. By revising section 5-8(a) to read:

Sec. 5-8 Deferred credits.

(a) Include in this classification all credit balances in general clearing accounts, including credits held in suspense pending receipt of information necessary for final disposition.

* * * * *

11. Amend Section 6—Objective Classification of Balance Sheet Elements as follows:

A. By revising the title and text for subaccount 1510.*1* and the text for subaccount 1510.2 to read as follows:

1510 Investments in Associated Companies.

* * * * *

1510.1 Investments in Investor Controlled Companies.

Record here the cost of investments in investor controlled companies, except as provided in section 5–2(c), plus the equity in undistributed earnings or losses since acquisition. In the event dividends are declared by such companies, the air carrier shall credit this account for its share in dividends declared and debit balance sheet account 1250 Notes and Accounts Receivable—Associated Companies. This account shall separately state: (a) The cost of such investments at date of acquisition and (b) the equity in undistributed earnings or losses since acquisition. Such accounting method shall not apply to investments in nontransport foreign subsidiary companies.

1510.2 Investments in Other Associated Companies.

(a) Record here the cost of investments in associated companies other than investor controlled companies. Cost shall represent the amount paid at the date of acquisition without regard to subsequent changes in the net assets through earnings or losses of such associated companies, except as provided in section 5–2 (c).

(b) In accordance with the provisions of section 22(d) or 32(d), as applicable, a statement shall be filed with the Civil Aeronautics Board which fully explains the procedures for accounting for investments in investor controlled and other associated companies, including change in status from associated to investor controlled company, or *vice versa*.

B. By revising Account 1530, Other Investments and Receivables to read:

1530 Other investments and receivables.

(a) Record here notes and accounts receivable not due within one year and investments in securities issued by others. Any discount or premium should be recorded in a separate subaccount of this account. Subaccounts shall be maintained in such a manner as to enable identification of each discount or premium with the receivable to which it relates. Such discounts or premiums should be amortized through profit and loss account 83 Interest Income.

(b) This account shall not include securities held as temporary cash investments which should be recorded in balance sheet account 1110 United States Government Securities or 1120 Other Temporary Cash Investments, as appropriate. Investments in and receivables from associated companies which are not settled currently shall be included in balance sheet account 1510 Investments in Associated Companies.

C. By revising the text for account 1601 and account 1602 to read:

1601 Airframes.

(a) Record here the total cost to the air carrier of airframes of all types and classes, as provided in section 5–3, together with the full complement of instruments, appurtenances and fixtures comprising complete airframes including accessories necessary to the installation of engines and flight control and transmission systems, except as specifically provided otherwise in accounts 1602 and 1607. Also record here in separate subaccounts the costs of airframe overhauls accounted for on a deferral and amortization basis as provided in section 5–4(g).

(b) Airframes designed to permit multiple payload configurations shall be recorded in this account at the total cost of the maximum complement of instruments, appurtenances, and fixtures used in the air carrier's operations.

(c) This account shall be subdivided as follows by all air carriers:

1601.*1* Airframes.

1601.*2* Unamortized airframe overhauls.

1602 Aircraft Engines.

(a) Record here the total cost to the air carrier of complete units of aircraft engines of all types and classes, as provided in section 5–3, together with a full complement of accessories, appurtenances, parts and fixtures comprising fully assembled engines as delivered by the engine manufacturer ready for operation in test but without the accessories necessary to its installation in airframes. Also record here is separate subaccounts the costs of aircraft engine overhauls accounted for on a deferral and amortization basis as provided in section 5–4(g).

(b) This account shall be subdivided as follows by all air carriers:

1602.*1* Aircraft engines.

1602.*2* Unamortized aircraft engine overhauls.

D. By deleting Account 1603 Aircraft Propellers, Account 1604 Aircraft Communications and Navigational Equipment, and Account 1606 Miscellaneous Flight Equipment, from the Objective Classification of Balance Sheet Elements.

E. By revising account 1607 to read:

1607 Improvements to leased flight equipment.

Record here the total cost to the air carrier incurred in connection with modification, conversion or other improvements to leased flight equipment as provided in section 5–3. Also record here in separate subaccounts the costs of airframe and aircraft engine overhauls of leased aircraft accounted for on a deferral and amortization basis as provided in section 5–4(g).

F. By revising Account 1840, Unamortized Discount and Expense on Debt to read:

1840 Unamortized Expense on Debt.

(a) Record here the expense related to the assumption by the air carrier of debt of all types and classes. Amounts recorded in this account shall be amortized to profit and loss account 87 Interest Expense.

(b) This account shall not include the excess of the par value of debt securities over the cash value of consideration received. Instead, discounts shall be recorded in a subaccount of the related liability.

G. By deleting Account 2030, Collections as Agent-Traffic from the Objective Classification of Balance Sheet Elements.

H. By revising Account 2131, Accrued Federal Income Taxes to read:

2131 Accrued Income Taxes.

(a) Record here accruals for currently payable income taxes. Provisions for deferred taxes shall be accrued in accordance with the provisions of section 2–6 Income Tax Accruals.

(b) At the option of the air carrier, investment tax credits may be treated as a reduction of income tax expense in the year they are actually realized (flow-through method) or they may be deferred and amortized over the useful life of the property to which it relates (deferred method).

(c) Air carriers electing to account for the investment tax credit by the flow-through method shall credit profit and loss subaccount 91.2 Investment Tax Credits Utilized or profit and loss account 97 Income Taxes Applicable to Extraordinary Items and debit this account with the amount of investment tax credit utilized in the current accounting period.

(d) Air carriers electing to account for the investment tax credit by the deferred method shall, concurrent with the above entry set forth in subsection (c), debit profit and loss subaccount 93.1 Investment Tax Credits Deferred or profit and loss account 97 Income Taxes Applicable to Extraordinary Items and credit balance sheet account 2345 Deferred Investment Tax Credits with the investment tax credit utilized as a reduction of the current year's tax liability but deferred for accounting purposes. The investment tax credits deferred in account 2345 shall be amortized to profit and loss subaccount 93.2 Amortization of Deferred Investment Tax Credits over the service life of the related property.

(e) The amount of any potential investment tax credit applicable to property placed in service during each accounting year and not used as an offset against tax liability or the deferred income tax balance as provided in section 6–2340 shall be debited to a memorandum account under balance sheet account 2390 Other Deferred Credits titled "Investment Tax Credits Available" and shall be credited to a memorandum account also under balance sheet account

2390 titled "Unrealized Investment Tax Credits." As investment tax credits are utilized in the reduction of tax liabilities or deferred taxes these two memorandum accounts shall be adjusted to reflect the balance of unused and unexpired credits.

(f) Each air carrier shall disclose on schedule P-2 of its CAB Form 41 for each calendar quarter whether utilized credits are accounted for by the flow-through method or the deferred method. The method selected shall be consistently followed by the carrier.

I. By revising Account 2160, Unearned Transportation Revenue to reflect a new account title and to read as follows:

2160 Air Traffic Liability.

(a) Record here balances representing the value of unused transportation sold. Transportation sold includes both sales for transportation to be provided by the air carrier and transportation to be provided by another air carrier.

(b) Earned revenue, determined by the yield or average fare method or by the sales-lift-match method, shall be consistently and periodically cleared by debit to this account, and by credit to the appropriate profit and loss revenue account. Amounts receivable for transportation to be provided by the air carrier shall be debited to balance sheet account 1240, Accounts Receivable-General Traffic.

(c) Carriers who determined earned revenue on a yield or average fare method may not accrue income during the accounting year in anticipation of a favorable annual physical inventory determination, nor for unused or unpresented tickets.

(d) Subaccounts to this account shall be established to record balances pertaining to passenger and cargo transportation sold, respectively, and separately to sales in scheduled and nonscheduled services.

(e) In accordance with the provisions of section 22(d) or section 32(d), as applicable, a statement shall be filed with the Board which fully explains the accounting methods and bases of clearing to income, both earned revenue and the revenue that is derived from unused or unredeemed transportation sales.

J. By deleting Account 2161, Unearned Security Charges from the Objective Classification of Balance Sheet Elements.

K. By deleting Account 2330, Unamortized Premium on Debt from the Objective Classification of Balance Sheet Elements.

L. By revising Account 2340, Deferred Federal Income Taxes to read:

2340 Deferred Income Taxes.

(a) Record here credits and debits representing the net tax effect of material timing differences originating and reversing in the current accounting period giving appropriate recognition to the portion of investment tax credits which would have been allowed if taxes were based on pretax accounting income by a reduction of the deferred tax provision. Loss carry-forwards shall be accounted for in accordance with section 2-6(d).

(b) This account shall be credited or debited as appropriate and profit and loss subaccount 92.1 Current Provision for Deferred Taxes or profit and loss account 97 Income Taxes Applicable to Extraordinary Items shall be credited or debited each quarter with the income elements for which the related income tax effect is deferred. The tax effects of timing differences may be computed individually or by similar groups of timing differences. The tax effect of timing for similar groups may be computed using separate computations for the tax effect of originating differences at current rates and for the tax effect of reversing differences at tax rates in effect at the beginning of the period; or, a single computation, at current tax rates for the net cumulative effect of both originating and reversing differences. The method chosen shall be consistently applied from period to period.

(c) This account shall be credited or debited as appropriate and profit and loss subaccount 92.2 Application of Taxes Deferred shall be credited or debited each quarter with deferred tax amounts previously accrued which are allocable to income of the current period.

(d) Upon adjustment or elimination of the income element for which income taxes are deferred, the related deferred tax balance included in this account shall be correspondingly adjusted or eliminated by a credit or debit as appropriate to profit and loss account 92.3 Adjustment of Deferred Taxes.

(e) Any net debit balance in this account shall be treated for statement purposes as a special subaccount of balance sheet account 1890 Other Deferred Charges.

(f) All adjustments shall be effected through appropriate credits or debits to profit and loss subaccount 92.3 Adjustment of Deferred Taxes. Full explanation of each adjustment shall be set forth on CAB Form 41 schedule P-2 for the period in which the adjustment is made.

M. By deleting Account 2350, Reserve for Self-Insurance from the Objective Classification of Balance Sheet Elements.

N. By revising Account 2890, Other Paid-In Capital to read:

2890 Other Paid-In Capital.

(a) Record here in separate subdivisions for each class and series, the difference between the price at which capital stock is sold and the par or stated value of the stock; gains or losses arising from the reacquisition and the resale or retirement of each class and series of capital stock; donations; the excess of retained earnings capitalized over par or stated value of capital stock issued; adjustments in capital resulting from reorganization or recapitalization; and proceeds attributable to detachable stock purchase warrants related to debt issues. This account shall also include balances of contributions to the business enterprise of individual proprietors or partners.

(b) Each air carrier shall maintain the following subaccounts:

2890.1 Premium on Capital Stock.

Record here in separate subdivisions for each class and series of capital stock issued the excess of the cash value of consideration received over the par or stated value and accrued dividends of stock issued together with assessments against stockholders representing payments required in excess of par or stated value.

2890.2 Discount on Capital Stock.

Record here in separate subdivisions for each class and series of capital stock issued, the excess of the par or stated value over the cash value of consideration received, less accrued dividends. Discounts applicable to a particular class and series of capital stock may be offset against premiums from the same class and series of capital stock. Discounts and premiums on different classes and series of capital stock shall not be offset. The air carrier may, at its option, record in this subaccount commissions and expenses incurred in the issuance of capital stock and may charge balance sheet account 2940 Unappropriated Retained Earnings to the extent capital stock expense may exceed any existing balance of paid-in capital over the par or stated value of capital stock.

2890.3 Other Capital Stock Transactions.

Record here in separate subdivisions for each class and series, the balance of credits arising from the reacquisition and resale or cancellation of capital stock, credits arising from a reduction in the par or stated value of capital stock or the net balance of credits or debits resulting from other paid-in capital transactions such as proceeds attributable to detachable stock purchase warrants related to debt issues, not provided for elsewhere, which is identified with a particular class and series of capital stock.

O. By revising Account 2940, Unappropriated Retained Earnings to read:

2940 Unappropriated Retained Earnings.

(a) Record here the net income or loss from operations, prior period adjustments as described in section 2-7(b), and dividends declared on capital stock.

(b) This account shall not be charged with dividends on treasury stock but may be charged with dividends on capital stock of the air carrier held in special funds not under the control of the air carrier. If a dividend is not payable in cash the values entered in this account shall be completely described.

(c) Net income or loss accounted for during the current fiscal year shall not be entered in this account until the close of the fiscal year. Individual proprietorships or partnerships may clear net income or loss accounted for during the year directly to balance sheet account 2890 Other Paid-In Capital, or optionally, to this account for subsequent transfer to balance sheet account 2890 Other Paid-In Capital.

12. Amend Section 7—Chart of Profit and Loss Accounts to read in pertinent part as follows:

Objective classification of profit and loss elements	Functional or financial activity to which applicable (00)		
	Group I carriers	Group II carriers	Group III carriers
OPERATING REVENUES AND EXPENSES			
* * *	* * *	* * *	* * *
03 Foreign mail	31, 32	31, 32	31, 32.
06 Property.			
* * *	* * *	* * *	* * *
51 Passenger food expense	69	55	55.
53 Other supplies	51, 53, 59	51, 53, 55, 64, 67, 68.	51, 53, 55, 61, 62 63, 65, 66, 68.
54 Inventory adjustments	53, 69	53, 55	53, 55.
55 Insurance—general	51, 53, 69	51, 53, 68	51, 53, 68.
56 Insurance—traffic liability	69	55, 64	55, 62.
* * *	* * *	* * *	* * *
72 Aircraft overhauls	52, 53	52, 53	52, 53.
72.1 Airworthiness reserve provisions—airframes	52, 53	52, 53	52, 53.
72.2 Airworthiness reserve charges—airframes (credit)	52, 53	53, 53	52, 53.
72.3 Airframe overhauls deferred (credit)	52, 53	52, 53	52, 53.
72.4 Amortization of airframe overhauls	52, 53	52, 53	52, 53.
72.6 Airworthiness reserve provisions—aircraft engines	52, 53	52, 53	52, 53.
72.7 Airworthiness reserve charges—aircraft engines (credit)	52, 53	52, 53	52, 53.
72.8 Aircraft engine overhauls deferred (credit)	52, 53	52, 53	52, 53.
72.9 Amortization of aircraft engine overhauls	52, 53	52, 53	52, 53.
* * *	* * *	* * *	* * *
NONOPERATING INCOME AND EXPENSES			
* * *	* * *	* * *	* * *
84 Income from investor controlled companies and dividend income.			
84.1 Income from investor controlled companies	81	81	81.
84.2 Dividend income—other than investor controlled companies.	81	81	81.
* * *	* * *	* * *	* * *
INCOME TAXES			
91 Provision for income taxes.			
91.1 Income taxes before investment tax credits	91	91	91.
91.2 Investment tax credits utilized	91	91	91.
92 Provisions for deferred income taxes.			
93.1 Current provisions for deferred taxes	91	91	91.
92.2 Application of deferred taxes	91	91	91.
92.3 Adjustment of deferred taxes	91	91	91.
93 Investment tax credits deferred and amortized.			
93.1 Investment tax credits deferred	91	91	91.
93.2 Amortization of deferred investment tax credits	91	91	91.
94 Excess profits taxes	91	91	91.
DISCONTINUED OPERATIONS			
95 Discontinued operations.			
95.1 Income from discontinued operations	96	96	96.
95.2 Loss on disposal of discontinued operations	96	96	96.
EXTRAORDINARY ITEMS			
96 Extraordinary items	97	97	97.
97 Income taxes applicable to extraordinary items	97	97	97.
CHANGES IN ACCOUNTING PRINCIPLES			
98 Cumulative effects of change in accounting principles	98	98	98.
* * *	* * *	* * *	* * *

13. Amend Section 8—General by revising subparagraphs (d)(4) and (d)(5); and adding subparagraph (d)(6) to read as follows:

Section 8 General.

* * * * *

(d) The prescribed of accounts * * *

(4) *Income taxes for current period.* This primary classification (9100) shall include provisions for Federal, state, local, and foreign taxes which are based upon the net income of the air carrier for the current period together with refunds for excess profits credits or carry-back of losses and increases or reductions of income taxes of prior years of a magnitude which will not distort net income of the current accounting year. Income taxes applicable to special income credits or debits recorded in profit and loss classification 9700 Extraordinary Items, and other material income tax items not allocable to income of the current accounting year, shall not be included in this classification but in profit and loss classification 9700 Extraordinary Items.

(5) *Discontinued operations.* This primary classification (9600) shall include earnings and losses of discontinued nontransport operations and gains or losses from the disposal of nontransport operations the results of which are customarily accounted for through profit and loss objective accounts 84 and 86 (see sec. 2–7(e)).

(6) *Extraordinary items.* This primary classification (9700) shall include material items characterized by their unusual nature and infrequent occurrence (see sec. 2–7(b)).

(7) *Cumulative effect of changes in accounting principles.* This primary classification (9800) shall include the cumulative effect of material changes in accounting principles (see section 2–7(g)).

14. Amend Section 12—Objective Classification—Operating Revenues and Expenses as follows:

A. By deleting Account 04, Security Charges, from the Objective Classification—Operating Revenues and Expenses.

B. By revising paragraph (c) of account 36, Personnel Expenses to read as follows:

36 Personnel expenses.

* * * * *

(c) Records shall be maintained in a conveniently accessible form which will separately and clearly document each charge to this account in terms of its natural characteristics and contribution to the performance of the air carrier's transport operations. The records shall be maintained in such manner as will identify specifically the persons incurring the cost. Costs for standby hotel or other facilities maintained for the air carrier's personnel generally need not be allocated among the individuals using such facilities; however, sufficiently detailed records are required to identify the use made of such facilities by each individual.

C. By revising Account 55, Insurance-General to read as follows:

55 Insurance-General.

Record here the cost of public liability and property damage insurance and all other general insurance except insurance covering liability for injuries, loss, and damage to passengers and cargo, and insurance carried for the protection or welfare of employees.

D. By revising the title and text of account 72, Flight Equipment Airworthiness Reserve Provisions to read as follows:

72 Aircraft Overhauls.

(a) Record here airframe and aircraft engine overhauls of the current period which are transferred to balance sheet subaccounts 1601.2 Unamortized Airframe Overhauls or 1602.2 Unamortized Aircraft Engine Overhauls. This account shall also include the amount of deferred overhauls costs being amortized for the current period. For carriers which elect to continue accruing for aircraft overhauls for aircraft types acquired before January 1, 1976, as well as for other aircraft of the same type acquired after January 1, 1976, the related provisions and charges shall be recorded in the appropriate subaccounts of this account.

(b) This account shall be subdivided as follows by all carrier groups.

72.1 Airworthiness Reserve Provisions—Airframes.

Record here current provisions for effecting an equitable distribution of airframe overhaul costs between different accounting periods.

72.2 Airworthiness Reserve Charges—Airframes (Credit).

Record here credits for airframe overhaul costs incurred in the current period which have been charged against related airworthiness reserves.

72.3 Airframe Overhauls Deferred (Credit).

Record here airframe overhauls of the current period transferred to subaccount 1601.2 Unamortized Airframe Overhauls.

72.4 Amortization of Airframe Overhauls.

Record here the amount of deferred airframe overhaul costs amortized for the current period.

72.6 Airworthiness Reserve Provisions—Aircraft Engines.

Record here current provisions for effecting an equitable distribution of aircraft engine overhaul costs between different accounting periods.

72.7 Airworthiness Reserve Charges—Aircraft Engines (Credit).

Record here credits for aircraft engine overhaul costs incurred in the current period which have been charged against related airworthiness reserves.

72.8 Aircraft Engine Overhauls Deferred (Credit).

Record here airframe overhauls of the current period transferred to subaccount 1602.2 Unamortized Aircraft Engine Overhauls.

72.9 Amortization of Aircraft Engine Overhauls.

Record here the amount of deferred aircraft engine overhauls costs amortized for the current period.

E. By revising subaccount 75.1 Depreciation—Airframes, 75.2 Depreciation—Aircraft Engines, and 75.5 Depreciation—Other Flight Equipment to read as follows:

* * * * *

75.1 Depreciation—Airframes.

Record here provisions for depreciation of property and equipment carried in balance subaccount 1601.1 Airframes.

75.2 Depreciation—Aircraft Engines.

Record here provisions for depreciation of property and equipment carried in balance sheet subaccount 1602.1 Aircraft Engines.

* * * * *

75.5 Depreciation—Other Flight Equipment.

Record here provisions for depreciation of property and equipment carried in balance sheet account 1607 Improvements to Leased Flight Equipment (exclusive of capitalized overhauls accounted for on a deferral and amortization basis) and balance sheet subaccount 1608.9 Other Parts and Assemblies. Group I air carriers shall also include in this subaccount provisions for depreciation of property carried in balance sheet account 1608 Flight Equipment Rotable Parts and Assemblies.

15. Amend Section 14—Objective Classification-Nonoperating Income and Expense by revising the title and text for account 84 to read as follows:

84 Income from Investor Controlled Companies and Dividend Income.

(a) Record here income from the equity in net earnings or losses of investor controlled companies and income arising out of dividends declared on other than investor controlled companies. Dividends on capital stock issued by the air carrier and subsequently reacquired shall not be included in this account.

(b) This account shall be subdivided as follows by all air carrier groups:

84.1 Income from Investor Controlled Companies.

Record here the equity in the current earnings or losses of investor controlled companies. Dividends declared on the stock of such companies shall not be included in this account as income but shall be entered in balance sheet subaccount 1510.*1* Investments in Investor Controlled Companies, as a return on investment. The foregoing instructions shall not apply to investments in nontransport foreign investor controlled companies.

84.2 Dividend Income—Other than Investor Controlled Companies.

Record here income from dividends declared on stocks of other than investor controlled companies. Dividends declared on stock of investor controlled companies shall not be included in this account but shall be entered in balance sheet subaccount 1510.*1* Investments in Investor Controlled Companies.

16. Amend Section 15—Objective Classification-Income Taxes for Current Period by changing the title of objective account 92 and revising the text to read as follows:

92 Provisions for Deferred Income Taxes.

(a) Record here income tax debits and credits deferred in accordance with the provisions of balance sheet account 2340 Deferred Income Taxes for all material timing differences.

(b) This account shall be subdivided as follows by all air carrier groups:

92.1 Current Provisions for Deferred Taxes.

92.2 Application of Taxes Deferred.

92.3 Adjustments of Deferred Taxes.

17. Amend Section 16—Objective Classification-Special Items by changing the title of Section 16 and revising the text to read as follows:

Section 16—Objective Classification-Discontinued Operations

95 Discontinued Operations.

(a) Record here the earnings (losses) of discontinued nontransport operations. For the purposes of this system of accounts and reports discontinued operations shall refer to the disposal of investor controlled companies and nontransport ventures whether sold, abandoned, spun off, or otherwise disposed of. This account shall not include earnings or losses from discontinued transport or transport-related operations.

(b) This account shall be subdivided as follows by all air carrier groups:

95.1 Income from Discontinued Operations.

Record here the results of operations of the discontinued operations.

95.2 Loss on Disposal of Discontinued Operations.

Record here the gain or lóss on the disposal of an operation. If loss is anticipated it should be provided for at the measurement date. If gain is anticipated it should be recognized when realized.

18. Establish a new section entitled Section 17—Objective Classification-Extraordinary Items.

Section 17—Objective Classification-Extraordinary Items

96 Extraordinary Items.

Record here material items characterized by their unusual nature and infrequent occurrence as provided in section 2-7(b). Events or transactions which are material and either unusual or nonrecurring, but not both, shall not be recorded in this account but should be disclosed on Schedule P-2 Notes to Income Statement and identified both as to their nature and financial effects.

97 Income Taxes Applicable to Extraordinary Items.

Record here income taxes allocable to items of income included in profit and loss account 96 Extraordinary Items and income tax assessments that do not constitute ordinary adjustments of a recurrent nature. Records supporting entries to this account shall be maintained with sufficient particularity to identify the nature and gross amount of each extraordinary credit and each extraordinary debit.

19. Establish a new section entitled Section 18—Objective Classification-Cumulative Effect of Changes in Accounting Principles to read as follows:

Section 18—Objective Classification-Cumulative Effect of Changes in Accounting Principles

98 Cumulative Effect of Changes in Accounting Principles.

Record here the difference between the amount of retained earnings at the beginning of the period of a change in accounting principle and the amount of retained earnings that would have been reported at that date if the new accounting principle had been applied retroactively for all periods which would have been affected and by recognizing only the direct effects of a change and the related income tax effect.

20. Amend Sections 21—Introduction to System of Reports as follows:

A. By deleting and reserving paragraph (e) to read as follows:

(e) [Reserved.]

B. By revising the list of carrier entities in paragraph (i) to read in pertinent part as follows:

(i) Four separate entities * * *

ROUTE AIR CARRIER REPORTING ENTITIES

Air Carriers:	***Entities***
Airlift International, Inc	Domestic, Latin America.
Air Micronesia, Inc	Pacific.
Air New England, Inc	Domestic.
Alaska Airlines, Inc	Do.
Allegheny Airlines, Inc	Do.
Aloha Airlines, Inc	Do.
American Airlines, Inc	Domestic, Latin America.
Aspen Airways, Inc	Domestic.
Braniff Airways, Inc	Domestic, Latin America.
Chicago Helicopter Airways, Inc	Domestic.
Continental Air Lines, Inc	Domestic, Pacific.
Delta Air Lines, Inc	Domestic, Latin America.
Eastern Air Lines, Inc	Do.
The Flying Tiger Line, Inc	Domestic, Pacific.
Frontier Airlines, Inc	Domestic.
Hawaiian Airlines, Inc	Do.
Hughes Air Corp., d.b.a. Hughes Airwest	Do.
Kodiak-Western Alaska Airlines, Inc	Do.
Munz Northern Airlines, Inc	Do.
National Airlines, Inc	Domestic, Atlantic Latin America.
New York Airways, Inc	Domestic.
North Central Airlines, Inc	Do.
Northwest Airlines, Inc	Domestic, Pacific.
Ozark Air Lines, Inc	Domestic.
Pan American World Airways, Inc	Domestic, Atlantic, Latin America, Pacific.
Piedmont Aviation, Inc	Domestic.
Reeve Aleutian Airways, Inc	Do.
SFO Helicopter Airlines, Inc	Do.
Seaboard World Airlines, Inc	Atlantic.
Southern Airways, Inc	Domestic.
Texas International Airlines, Inc	Do.
Trans World Airlines, Inc	Domestic, Atlantic, Pacific.
United Air Lines, Inc	Domestic.
Western Air Lines, Inc	Domestic, Latin America.
Wien Air Alaska Inc	Domestic.
Wright Air Lines, Inc	Do.

21. Amend Section 22—General Reporting Instructions as follows:

A. By revising paragraph (a) to read in part as follows:

(a) One copy of each schedule in the CAB Form 41 report shall be filed with the Civil Aeronautics Board and shall be received on or before the due date indicated for each such schedule in the list titled "Due Dates of Schedules in CAB Form 41 Report."

* * * * *

B. By revising the title of schedules B-3 and B-4 in the list of reporting schedules in paragraph (a) so that the list in pertinent part reads:

Schedule No.	Schedule title	Filing frequency
* * *	* *	* *
B-2	Notes to balance sheet	Quarterly.
B-3	Paid-in capital; appropriations of retained earnings; deferred income taxes	Do.
B-4	Reserve for uncollectible accounts; accounts with investor controlled companies; other associated companies and nontransport divisions.	Do.
B-5	Property and equipment	Do.
* * *	* *	* *

C. By revising paragraph (d) of Section 22—General Reporting Instructions to read in pertinent part as follows:

(d) Statements of accounting or statistical procedures required to be filed under this system of accounts and reports are recapitulated below. As a general rule these statements or revisions thereof shall be filed prior to the date on which the procedures are to become effective. However, in certain cases where a change in procedure or the initial adoption of a new procedure is necessitated by events or transactions occurring for the first time or by new requirements of professional or regulatory bodies, air carriers are permitted to file new or amended statements within thirty days after the close of the first calendar quarter in which the procedures become effective. The procedures shall be regarded as accepted unless the carrier is notified of Board objections within ninety days after receipt. These statements shall be filed in triplicate on standard forms AP-1 through AP-15.

(1) Procedures for assigning * * *

* * * * *

(6) Procedures of accounting for airframe and aircraft engine overhauls as prescribed by section 5-4(g).

* * * * *

(9) Procedures for accrual of air traffic liability, and the method for determining earned income, as prescribed by section 6-2160; and annual physical verification procedures, including the cutoff date selected by the carrier, as prescribed by section 2-17.

* * * * *

(14) Procedures for accounting for investments in investor controlled and other associated companies, including change in status from associated to investor controlled company, or vice versa, and adjustments in investment accounts, as prescribed by section 6-1510(c).

* * * * *

22. Amend Section 23—Certification and Balance Sheet Elements as follows:

A. Revise paragraph (f) of the reporting instructions for Schedule B-2, Notes to Balance Sheet to read as follows:

(f) The conversion from the cost method to the equity method of carrying investments in investor controlled companies shall be explained on this schedule and cross-referenced to Schedule P-2 Notes to Income Statement.

Any change in the basis of accounting for investments in investor controlled companies and other associated companies (*e.g.*, change from associated to investor controlled company or vice versa) shall be noted here and reported as required by section 22(d).

B. Delete paragraph (g) of the reporting instructions for Schedule B-2, Notes to Balance Sheet.

C. Revise the title and paragraph (e) of the reporting instructions for schedule B-3 to read as follows:

Schedule B-3—Paid-in Capital; Appropriations of Retained Earnings; Deferred Income Taxes

* * * * *

(e) All credits and debits to appropriations of retained earnings shall be identified and explained in the "Appropriations of Retained Earnings" section of this schedule. The balance of account 2930 Appropriations of Retained Earnings as at the end of each calendar quarter shall agree with the corresponding amount reported on Schedule B-1—Balance Sheet.

D. Revise the title and paragraphs (c), (d) and (e) of the reporting instructions for schedule B-4 to read as follows:

Schedule B-4—Reserve for Uncollectible Accounts; Accounts with Investor Controlled Companies, Other Associated Companies and Nontransport Divisions

* * * * *

(c) In the "Accounts with Investor Controlled Companies, Other Associated Companies and Nontransport Divisions" section of this schedule, column 1 shall list the name of each associated company and describe each nontransport division. Associated companies shall be separately grouped by classification. The respective groups shall be captioned "Investor Controlled" and "Other Associated Companies."

(d) Column 4 "Investments at Cost" shall reflect the cost to the air carrier at date of acquisition in investments of associated companies. The cost of investments in investor controlled companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity in Undistributed Earnings" shall agree in aggregate with the corresponding amounts in balance sheet subaccount 1510.*1* Investments in Investor Controlled Companies.

(e) Column 5 "Equity in Undistributed Earnings" shall reflect the equity in undistributed earnings or losses of investor controlled companies since acquisition.

E. Revise paragraphs (b), (c), (f), and (g) of the text of schedule B-41 to read as follows:

Schedule B-41—Investments Held by, or for the Account of, Respondent

* * * * *

(b) The data shall be grouped and separately subtotaled according to: (1) Investments in investor controlled companies (account 1510.*1*); (2) investments in other associated companies (account 1510.2); and (3) other investments and receivables (account 1530).

(c) Column 1 shall reflect the name of each associated company (investor controlled and other) and the name of each other than associated company who is the issuer of securities held by the air carrier. This column shall also reflect the name of each company, associated or other than associated, from which noncurrent notes and accounts receivable are due to the air carrier.

* * * * *

(f) Column 4 "Cost" shall reflect the cost of investments to the carrier. The cost of investments in investor controlled companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity or Book Value" along with noncurrent notes and accounts receivable in investor controlled companies shall agree in aggregate with the corresponding amount in balance sheet subaccount 1510.*1* Investments in Investor Controlled Companies. The cost of investments in other associated companies and other than associated companies, along with related noncurrent notes and accounts receivable, shall agree in total with corresponding amounts reflected in balance sheet subaccount 1510.2 Investments in Other Associated Companies and account 1530 Other Investments and Receivables, respectively.

(g) Column 5 "Equity or Book Value" shall reflect the equity in undistributed earnings or losses of investor controlled companies since acquisition, or the book value of investments in other associated and other than associated companies as of the date of this schedule. This column does not apply to investments in industry-owned service organizations which operate on a nonprofit basis.

* * * * *

F. Add new paragraph (h) to the reporting instructions for schedule B-5 to read as follows:

(h) In calculating the "Reserve for Depreciation" any change in the estimated useful lives or in the residual value of depreciable assets shall be effective as of the beginning of the fiscal or calendar period during which the change is adopted.

23. Amend Section 24—Profit and Loss Elements as follows:

A. By revising paragraphs (a) and (b) of the reporting instructions for Schedule P-1.1 Income Statement-Group I Air Carriers and Schedule P-1.2 Income Statement-Group II and Group III Air Carriers to read as follows:

Schedule P-1.1 Income Statement—Group I Air Carriers

Schedule P-1.2 Income Statement—Group II and Group III Air Carriers

(a) Schedule P-1.1 shall be filed by each Group I route air carrier and scheduled P-1.2 shall be filed by each Group II air carrier and each Group III air carrier.

(b) Separate income statements shall be filed covering all indicated items through "Net Income After Extraordinary Items" for each separate operating entity of the air carrier and for the overall or system operations of the air carrier. The indicated items following "Net Income After Accounting Changes" shall be reported on only the income statement for the air carrier's system.

* * * * *

B. By revising paragraph (f) of Schedule P-2 Notes to Income Statement to read as follows:

Schedule P-2—Notes to Income Statement

* * * * *

(f) Dividends declared in the current period on stocks of investor controlled companies shall be noted on this schedule.

C. By revising the title of Schedule P-4 "Transport-Related Revenues and Expenses; Explanation of Special Items; Explanation of Deferred Federal Income Tax Adjustments, Dividends Declared and Retained Earnings Adjustments" and amending the reporting instructions to read as follows:

Schedule P-4—Transport-Related Revenues and Expenses; Explanation of Special Items; Explanation of Deferred Income Tax Adjustments, Prior Period Adjustments and Dividends Declared

(a) This schedule shall be filed by all route air carriers.

(b) Separate sets of this schedule shall be filed for each separate operating entity of the air carrier.

(c) Transport-related operations shall be reported in this schedule in conformance with instructions in section 9-4800, Transport-Related Revenues and sections 10-7100 and 11-7100 Transport-Related Expenses.

(d) The totals of transport-related gross revenues and gross expenses reported in this schedule shall agree with the corresponding amounts reported for classifications 4800 and 7100 on schedule P-1.

(e) Each extraordinary item shall be fully identified and reported in gross amount in this schedule.

(f) Extraordinary credits to income during the current accounting period shall be identified in positive amounts and any extraordinary debits to income shall be identified by asterisks (*).

(g) Extraordinary items and extraordinary income tax credit and debit items shall be reported separately.

(h) The net of extraordinary items and the net of extraordinary income tax items reported on this schedule shall agree with corresponding amounts reported on schedule P-1.

(i) Deferred income tax adjustments shall be fully explained in the bottom section of this schedule. The explanations for each credit and debit, respectively, shall identify the property to which related, provide a complete description of the adjustment and the reasons for the adjustment.

(j) Prior Period Adjustments and dividends declared shall be fully explained in the bottom section of this schedule. If a dividend is not payable in cash, the values of amounts declared shall be completely described.

24. Amend Section 31—Introduction to System of Reports to read in pertinent part as follows:

Section 31—Introduced to System of Reports

* * * * *

(h) Each supplemental air carrier * * *

SUPPLEMENTAL AIR CARRIER REPORTING ENTITIES

Capitol International Airways, Inc.
Evergreen International Airlines, Inc.
McCulloch International Airlines, Inc.
Modern Air Transport, Inc.
Overseas National Airways, Inc.
Saturn Airways, Inc.
Trans International Airlines, Inc.
World Airways, Inc.

25. Amend paragraph (d) of Section 32—General Reporting Instructions to read in pertinent part as follows:

(d) Statements of accounting or statistical procedures required to be filed under this system of accounts and reports are recapitulated below. As a general rule these statements or revisions thereof shall be filed prior to the date on which the procedures are to become effective. However, in certain cases where a change in procedure or the initial adoption of a new procedure is necessitated by events or transactions occurring for the first time or by new requirements of professional or regulatory bodies, air carriers are permitted to file new or amended statements within thirty days after the close of the first calendar quarter in which the procedures become effective. The procedures shall be regarded as accepted unless the carrier is notified of Board objections within ninety days after receipt. These statements shall be filed in triplicate on standard forms AP-1 through AP-15.

(1) Procedures for assigning * * *

* * * * *

(5) Procedures of accounting for airframe and aircraft engine overhauls as prescribed by section 5-4(g).

* * * * *

(8) Procedures for accural of air traffic liability, and the method for determining earned income, as prescribed by section 6-2160.

* * * * *

(13) Procedures for accounting for investments in investor controlled and other associated companies, including change in status from associated to investor controlled company, or vice versa, and adjustments in investment accounts, as prescribed by section 6-1510(c).

* * * * *

26. Amend Section 33—Certification and Balance Sheet Elements as follows:

A. Revise paragraph (i) to the reporting instructions for schedule B-2.1 to read as follows:

Schedule B-2.1—Notes to Balance Sheet; Corporate Paid-In Capital; Analysis of Sole Proprietorship Capital or Partnership Capital

* * * * *

(i) The conversion from the cost method to the equity method of carrying investments in investor controlled companies shall be explained on this schedule and cross-referenced to Schedule P-2, Notes to Income Statement. Any change in the basis of accounting for investments in investor controlled companies and other associated companies (*e.g.*, change from associated to investor controlled company, or vice versa) shall be noted here and reported as required by Section 32(d).

* * * * *

B. Revise paragraphs (b), (c), (f), and (g) of the text of schedule B-41 to read as follows:

Schedule B-41—Investments Held by, or for the Account of, Respondent

* * * * *

(b) The data shall be grouped and separately subtotaled according to: (1) Investments in investor controlled companies (account 1510.*1*); (2) investments in other associated companies (account 1510.2); and (3) other investments and receivables (account 1530).

(c) Column 1 shall reflect the name of each associated company (investor controlled and other) and the name of each other than associated company who is the issuer of securities held by the air carrier. This column shall also reflect the name of each company, associated or other than associated, from which noncurrent notes and accounts receivable are due to the air carrier.

* * * * *

(f) Column 4 "Cost" shall reflect the cost of investments to the carrier. The cost of investments in investor controlled companies, plus the equity in undistributed earnings or losses since acquisition reflected in column 5, "Equity or Book Value" along with noncurrent notes and accounts receivable in investor controlled companies shall agree in aggregate with the corresponding amount in balance sheet subaccount 1510.*1* Investments in Investor Controlled Companies. The cost of investments in other associated companies and other than associated companies, along with related noncurrent notes and accounts receivable, shall agree in total with corresponding amounts reflected in balance sheet subaccount 1510.2 Investments in Other Associated Companies and account 1530 Other Investments and Receivables, respectively.

(g) Column 5 "Equty or Book Value" shall reflect the equity in undistributed earnings or losses of investor controlled companies since acquisition, or the book value of investments in other associated and other than associated companies as of the date of this schedule. This column does not apply to investments in industry-owned service organizations which operate on a nonprofit basis.

* * * * *

27. Amend Section 34-Profit and Loss Elements as follows:

A. By revising paragraph (c) to the reporting instructions to schedule P-2 to read:

Schedule P-2—Notes to Income Statement

* * * * *

(c) Balances in subaccounts 84.1 and 84.2 of profit and loss account 8100 as reported on the P-1 schedules, together with dividends declared in the current period on the stocks of investor controlled companies, shall be noted on this schedule.

B. By revising the title and the reporting instructions applicable to schedule P-4 to read as follows:

Schedule P-4—Transport-Related Revenues and Expenses; Explanation of Special Items; Explanation of Deferred Income Tax Adjustments, Prior Period Adjustments and Dividends Declared

(a) This schedule shall be filed by each Group II route air carrier.

(b) Transport-related operations shall be reported in this schedule in conformance with instructions in section 9-4800, Transport-Related Revenues and sections 10-7100 and 11-7100 Transport-Related Expenses.

(c) The totals of transport-related gross revenues and gross expenses reported in this schedule shall agree with the corresponding amounts reported for classifications 4800 and 7100 on schedule P-1.

(d) Each extraordinary item shall be fully identified and reported in gross amount in this schedule.

(e) Extraordinary credits to income during the current accounting period shall be identified in positive amounts and any extraordinary debits to income shall be identified by asterisks (*).

(f) Extraordinary items and extraordinary income tax credit and debit items shall be reported separately.

(g) The net of extraordinary items and the net of extraordinary income tax items reported on this schedule shall agree with corresponding amounts reported on schedule P-1.

(h) Deferred income tax adjustments shall be fully explained in the bottom section of this schedule. The explanations for each credit and debit, respectively, shall identify the property to which related, provide a complete description of the adjustment and the reasons for the adjustment.

(i) Prior period adjustments and dividends declared shall be fully explained in the bottom section ofthis schedule. If a dividend is not payable in cash, the values of amounts declared shall be completely described.

28. Amend CAB Form 41 schedules to reflect the foregoing changes in accounting, as shown in the exhibits [2] as follows:

Schedule No.:	*Exhibit*
A-1	A
B-1	B
B-3	C
B-4(b)	D
B-5	E
B-46	F
P-1.1	G
P-1.2	H
P-1(a)	I
P-3	J
P-4	K
P-5.1	L
P-5.2	M
P-6	N
P-7	O
P-8	P

(Sections 204(a) and 407 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743 and 766; 49 U.S.C. 1324, 1377.)

By the Civil Aeronautics Board.

[SEAL] PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.76-8528 Filed 3-24-76;8:45 am]

Title 15—Commerce and Foreign Trade

CHAPTER XX—OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

PART 2006—PROCEDURES FOR COMPLAINTS RECEIVED PURSUANT TO SECTION 301 OF THE TRADE ACT OF 1974

Miscellaneous Amendments

Correction

In FR Doc. 76-6357, appearing at page 9307 in the issue for Thursday, March 4, 1976, § 2006.4(b) now reading "Termination of section 301 reviews shall be given effect by notification to the complainant and publication in mination and a statement of reasons for such termination.", should read "Termination of section 301 reviews shall be given effect by notification to the complainant and publication in the FEDERAL REGISTER of a notice of termination and a statement of reasons for such termination."

[2] Filed as part of the original document.