Appendix C—Method of Least Squares

The method of least squares is a method of calculation by which it is possible to obtain a reliable estimate of a true physical relationship from a set of data which involve random error. The method may be used to establish a regression line that minimizes the sum of the squares of the deviations of the measured data points from the line. The regression line is consequently described as the line of "best fit" to the data points. It is described in terms of its slope and its "y" intercept.

The graph in Figure 5 depicts a regression line calculated using the least squares method from data collected from a hypothetical treadwear test of 6,400 miles, with tread depth measurements made at every 500 miles.

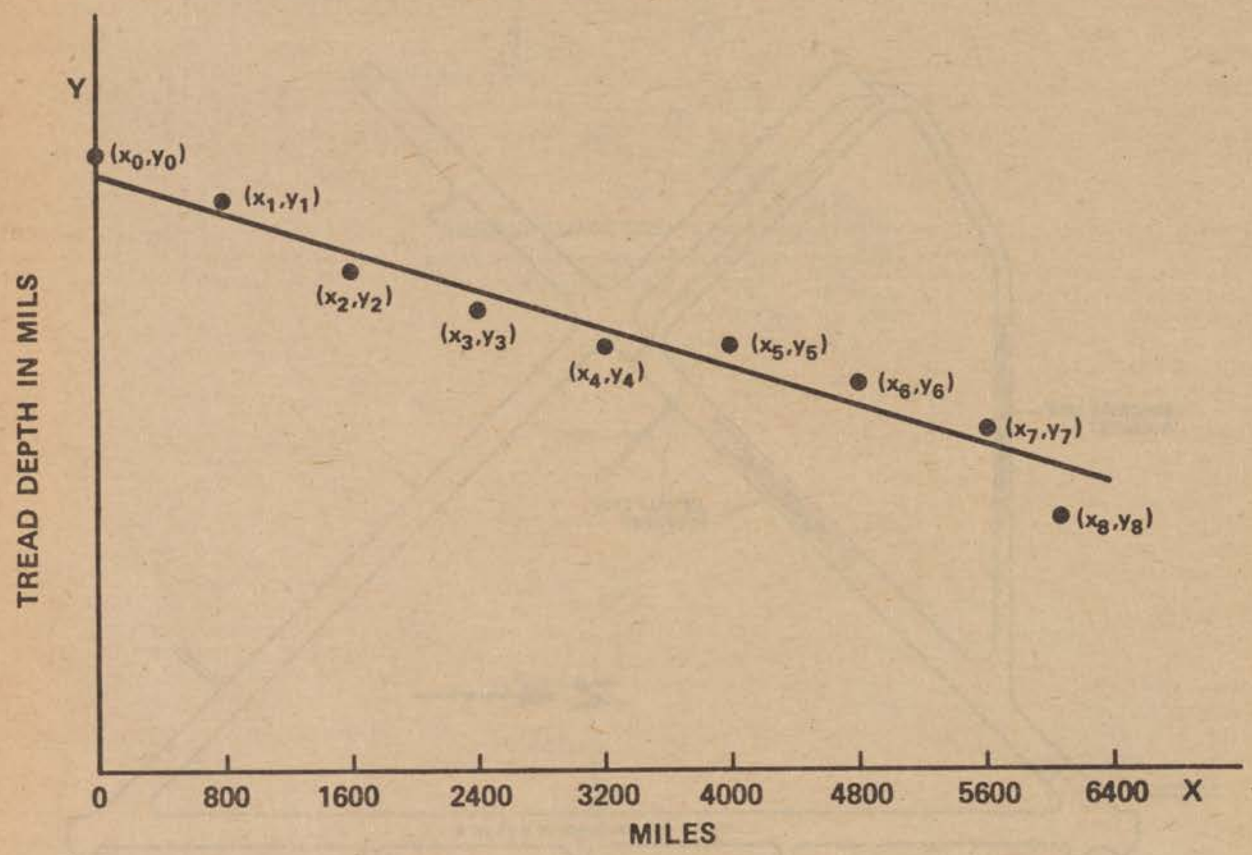

Figure 5

In this graph, (xi, yi) [j=0, 1, . . . 8] are the individual data points representing the tread depth measurements (the overall average for the tire with 6 measurements in each tire groove) at the beginning of the test (after break-in) and at the end of each 800-mile segment of the test.

The absolute value of the slope of the regression line is an expression of the mils of tread worn per 1,000 miles, and is calculated by the following formula:

$$b = 1000 \frac{\left(\sum_{j=0}^{8} X_j Y_j - \frac{1}{9} \sum_{j=0}^{8} X_j \sum_{j=0}^{8} Y_j\right)}{\sum_{j=0}^{8} X_j^2 - \frac{1}{9}\left(\sum_{j=0}^{8} X_j\right)^2}$$

The "y" intercept of the regression line (a) in mils is calculated by the following formula:

$$a = \frac{1}{9} \sum_{j=0}^{8} Y_j - \frac{b}{9000} \sum_{j=0}^{8} X_j$$

[FR Doc. 78-19664 Filed 7-14-78; 8:45 am]

[7035-01]

CHAPTER X—INTERSTATE COMMERCE COMMISSION

SUBCHAPTER B—PRACTICE AND PROCEDURE

[Ex. Parte No. 274 (Sub-No. 2)]

PART 1121—ABANDONMENT OF RAILROAD LINES AND DISCONTINUANCE OF SERVICE

Abandonment of Railroad Lines and Discontinuance of Service

AGENCY: Interstate Commerce Commission.

ACTION: Statement of revision of regulations.

SUMMARY: The Commission is amending its regulations on abandonment of railroad lines and discontinuance of service. This proceeding was reopened on the Commission's own motion to consider pleadings that were filed by many of the affected lines. The pleadings requested clarification and changes to the notification requirement for amendment of the system diagram map, reference to inclusion on the system diagram map in the notice, base year and calendar year information, and information required by the summary application for abandonment or discontinuance of service. The regulations have been revised in response to the pleadings.

DATES: These revisions to the regulations were effective on May 17, 1978.

FOR FURTHER INFORMATION CONTACT:

Edward J. Schack, Acting Deputy Director, Section of Finance, Interstate Commerce Commission, Washington, D.C. 20423, telephone 202-275-7581.

SUPPLEMENTARY INFORMATION: The Commission reopened this proceeding on its own motion to consider pleadings filed by the Soo Line Railroad Co., the Illinois Central Gulf Railroad Co., the National Industrial Traffic League, Family Lines, Chicago and North Western Transportation Co. and the Chicago, Milwaukee, St. Paul and Pacific Railroad Co. These pleadings requested clarification and changes to the notification requirement for amendment of the system diagram map, reference to inclusion on the system diagram map, base year and calendar year information, and information required by the summary application. The Commission amended §§ 1121.20(b) (5), 1121.22, 1121.23(a), 1121.23(c)(1), 1121.32(a)(7) and 1121.32(d)(2). This revision of the regulations amends those published at 41 FR 48520 (1976), 42 FR 25327 (1977) and 43 FR 7623 (1978).

The revisions to the Abandonment of Railroad Lines and Discontinuance of Service regulations are printed in full below.

Section 1121.20(b)(5) is revised as follows:

§ 1121.20 System diagram map.

* * * * *

(b) * * *

(5) All other lines or portions of lines which the carrier owns or operates, directly or indirectly.

* * * * *

Section 1121.22 is revised as follows:

§ 1121.22 Filing and publication.

(a) Each carrier shall file with the Commission six copies of its color-coded system diagram map (identified by its "AB number" as set forth in Appendix B hereto) and of the accompanying line descriptions. When an amended map is filed, the line descriptions for the lines which were amended must be filed. The initial system diagram map and descriptions shall be filed within 180 days after the effective date of these regulations.

(b) The color-coded system diagram map, any amendments of the map, and accompanying line descriptions shall be served upon the Governor, the public service commission (or equivalent agency) and the designated State agency of each State within which the carrier operates or owns a line of railroad.

(c) The Commission shall publish a black-and-white version of the initial and each amended system diagram map as submitted in accordance with § 1121.20(d) and accompanying line descriptions in the FEDERAL REGISTER. The carrier shall: (1) Publish in a newspaper of general circulation in each county within which is located a line in categories 1 through 3 (§ 1121.20(b) (1)-(3)) or a line which has been amended, a notice containing a black-and-white copy of the system diagram map (or a portion of map clearly depicting its lines in such county) and a description of each such line; (2) post a copy of the newspaper notice in each agency station or terminal on each line in categories 1 through 3 (§ 1121.20(b) (1)-(3)) or on each line which has been amended or, if there is no agency station on the line, at any station through which business for the line is received or forwarded; and (3) furnish, at reasonable cost, upon request of any interested person a copy of its color-coded or black-and-white system diagram map and the publication in the county newspaper shall so indicate.

(d) Each carrier shall file with the Commission an affidavit of service and publication stating the date each was accomplished. A copy of each newspaper notice published shall be attached to the affidavit. The effective date of the filing of the initial system diagram map and each amended system diagram map as required in paragraph (a) of this section shall be deemed to be the date upon which the Commission receives the affidavit required in this paragraph.

(e) The Commission shall require republication of the notice if it is found to be inadequate.

Section 1121.23 (a) and (c)(1) are revised as follows:

§ 1121.23 Amendment of the system diagram map.

(a) Each carrier shall be responsible for maintaining the continuing accuracy of its system diagram map and the accompanying line descriptions. Each carrier shall also prepare and submit to the Commission a black-and-white version of the system diagram map and accompanying line descriptions which clearly identify each of these categories of line and are suitable for publication in the FEDERAL REGISTER, in accordance with Appendix A. Amendments may be filed at any time and will be subject to all carrier filing and publication requirements of § 1121.22 as they apply to the amendment and each individual line which has been amended.

* * * * *

(c) Each carrier shall file with the Commission, at the time it files its annual report required by Part 1241 of this title:

(1) An amended and updated color-coded and black-and-white system diagram map and line descriptions which shall be subject to the filing and publication requirements of § 1121.22 as they apply to the amendment and each individual line which has been amended; or * * *.

Section 1121.32 (a)(7) and (d)(2) are revised as follows:

* * * * *

§ 1121.32 Contents of application.

* * * * *

(a) * * *

(7) Reference to inclusion of the rail line to be abandoned or over which service is to be discontinued on the carrier's system diagram map, in compliance with § 1121.20-1121.23, and the date upon which such line was first listed on the system diagram map in category 1 in accordance with § 1121.20(b)(1). A copy of the line description which accompanies the system diagram map shall also be submitted.

* * * * *

(d) * * *

(2) The same computation shall be made for the 2 calendar years immediately preceding the filing of the application and for that part of the current year for which information is available using data collected at the branch level to the extent available and otherwise allocating system revenues and expenses to the line. The basis for any such allocation shall be stated with particularity.

* * * * *

By the Commission.

Dated: May 4, 1978.

NANCY L. WILSON,
Acting Secretary.

[FR Doc. 78-19543 Filed 7-14-78; 8:45 am]

[7035-01]

SUBCHAPTER C—ACCOUNTS, RECORDS, AND REPORTS

[Docket No. 36767]

ACCOUNTING FOR CERTAIN GOVERNMENT TRANSFERS BY RAILROADS AND MOTOR CARRIERS OF PASSENGERS

AGENCY: Interstate Commerce Commission.

ACTION: Final rule.

SUMMARY: The final rule provides accounting and reporting regulations for certain transfers of cash and other assets to railroads and bus companies from Federal, State, or local governments. In recent years, government transfers have become an important source of income for some railroads and bus companies. This rule is intended to assure that these transfers are disclosed in a manner which does not distort or mislead users of the recipients' financial statements.

DATES: This reporting revision is effective for the year beginning January 1, 1978.

FOR FURTHER INFORMATION CONTACT:

Mr. Bryan Brown, Jr., Chief, Section of Accounting, Bureau of Accounts, Interstate Commerce Commission, 202-275-7448.

SUPPLEMENTARY INFORMATION: By Notice of Proposed Rulemaking dated November 30, 1977, served December 23, 1977, and published in the FEDERAL REGISTER on January 9, 1978 (43 FR 1371), the Commission announced that it had under consideration new accounting and reporting regulations for certain transfers of cash and other assets to railroads and bus companies from Federal, State, or local governments.

In recent years, railroads and bus companies have been the recipients of large amounts of cash and other assets from Federal, State, and local authorities. These transfers have been for a variety of purposes, and take the form of (1) subsidies given to improve either working capital or productive capacity, or (2) payments of a continuing nature designed to reimburse carriers for losses sustained on specific lines or in certain regions.

Because large sums are often involved, we believe that proper accounting and reporting of government transfers is necessary to prevent distortion and misinterpretation of the recipients' financial statements. There are currently no rules prescribed by the Commission which detail accounting and reporting requirements for government transfers to railroads and bus companies. Therefore, we are adopting certain pertinent revisions to the Uniform Systems of Accounts for Railroads (49 CFR Pt. 1201, Subpar. A) and Motor Carriers of Passengers (49 CFR Pt. 1206), and also to the appropriate annual report forms (Railroads Forms R-1 and R-2; Motor Carrier of Passenger Form MP-1). In addition, we are requiring disclosure of government transfers in quarterly reports filed with the Commission by railroads and bus companies.

Below are the accounting and reporting rules we are adopting. Additional information will be forwarded upon request.

(49 U.S.C. 12, 20, 304, 320.)

H. G. HOMME, Jr.
Acting Secretary.

PART 1201—RAILROAD COMPANIES

Amend Part 1201—Uniform System of Accounts for Railroad Companies:

LIST OF INSTRUCTIONS AND ACCOUNTS

Under "General Balance Sheet Accounts," the following revision is made: The following item is added after line item 782, "Other Liabilities."

783 Deferred Revenues—Transfers from Government Authorities

* * * * *

Under "Income Accounts" the following revisions are made: Line item 501 is revised as follows:

501 Railway Operating Revenues (Exclusive of Transfers from Government Authorities)

The following items are added after item 501:

502 Railway Operating Revenues—Transfers from Government Authorities for Current Operations
503 Railway Operating Revenues—Amortization of Deferred Transfers from Government Authorities

* * * * *

Income Statement Accounts

The title and text of account 501 is revised as follows:

501 Railway Operating Revenues (Exclusive of Transfers from Government Authorities).

This account shall include the total revenues derived from operations, as shown in the primary revenue accounts provided elsewhere in the regulations.

NOTE: Transfers from government authorities shall be accounted for in accordance with the provisions of Instruction 1-15.

* * * * *

The following account and texts are added:

502 Railway Operating Revenues—Transfers from Government Authorities for Current Operations.

This account shall include amounts received or receivable from Federal, state, or municipal authorities which are specifically designated to offset operating expenses, or which may be applied at the discretion of the railroad to operating expenses and/or railroad property.

This account shall also include amounts received from government authorities to offset operating costs sustained on specific lines or in certain regions. Examples are: (1) Local Rail Service Assistance Subsidies granted to the carrier under authority of the Railroad Revitalization and Regulatory Reform Act of 1976, and (2) payments by regional transit authorities in connection with specified operations performed by the carrier.

This account shall also include indirect receipts which reduce operating expenses, such as assumption of station maintenance costs, abatement of taxes, or other indirect contributions by government agencies, if clearly identifiable and measurable.

NOTE.—This account shall not include receipts from government authorities designated for the acquisition, addition to, or improvement of railway operating property. (See instruction 1-15.)

503 Railway Operating Revenues—Amortization of Deferred Transfers from Government Authorities.

This account shall include the amortization applicable to amounts representing the cost of acquisition, addition to, or improvement of depreciable operating property received from Federal, state, or municipal authorities. (See instruction 1-15, and Account 783, "Deferred Revenues—Transfers from Government Authorities.")

* * * * *

The "Form of Income Statement" is revised as follows:

Form of Income Statement

501 Railway Operating Revenues (Exclusive of Transfers from Government Authorities)
502 Railway Operating Revenues—Transfers from Government Authorities for Current Operations
503 Railway Operating Revenues—Amortization of Deferred Transfers from Government Authorities

* * * * *

General Balance Sheet Accounts

The following account and text is added:

783 Deferred Revenues—Transfers from Government Authorities.

This account shall include amounts representing the cost of acquisition, addition to, or improvement of depreciable operating property received, or receivable from Federal, state, or local authorities. Items to be included in this account shall be determined in accordance with instruction 1-15.

An appropriate record shall be maintained of each asset associated with these transfers showing: (1) Original cost to carrier (or fair value if not purchased), (2) accumulated depreciation, and (3) estimated salvage value, if any.

This account shall be charged periodically, and Account 503, "Railway Operating Revenues—Amortization of Deferred Transfers from Government Authorities," shall be credited with amounts equal to the depreciation costs of the assets to which they apply. When such assets are retired or otherwise disposed of, this account shall be charged, and Account 503 concurrently credited with any remaining associated amounts. (See instruction 1-15.)

NOTE A: This account shall not include government transfers in the form of, or designated for the purchase of land or other non-depreciable property. Transfers of this type are includible in Account 795, "Other Capital."

NOTE B: This account shall not include transfers from the Federal Government to either Amtrak or ConRail representing the cost of depreciable and non-depreciable operating property.

* * * * *

The text of Account 795, "Other Capital" is revised to read:

795 Other Capital.

* * * * *

(d) This account shall be subdivided to show the cumulative amounts representing the cost of nondepreciable operating property received from government authorities, in accordance with the provisions of Instruction 1-15.

(e) This account shall also be subdivided to show the cumulative amounts representing the cost of depreciable and nondepreciable operating property received by Amtrak or Conrail from the Federal Government. (See Instruction 1-15.)

* * * * *

The "Form of General Balance Sheet Statement" is revised as follows:

Form of General Balance Sheet Statement

* * * * *

782 * * *

Deferred Credits:

783 Deferred Revenues—Transfers from Government Authorities

* * * * *

General Instructions

The following general instruction is added:

1-14 * * *

1-15 Transfers from Government Authorities.

When a Federal, State, or municipal government transfers cash or other assets to a railroad, the transaction shall be accounted for in accordance with the provisions set forth hereunder.

(a) The following forms of government transfers shall be included in Account 502, "Railway Operating Revenues—Transfers from Government Authorities for Current Operations" when received:

(1) Payments as reimbursement for operating losses sustained on a specific line, or in a certain region. Examples include support of commuter operations of a railroad, and local rail service assistance subsidies granted to a railroad under authority of the Railroad Revitalization and Regulatory Reform Act of 1976;

(2) Subsidies designated by the donor to offset operating expenses of the railroad, and

(3) Subsidies which may be applied at the discretion of the recipient to operating expenses and/or operating property.

(b) Government transfers relating to the acquisition, addition to, or improvement of depreciable operating property shall be included in Account 783, "Deferred Revenues—Transfers from Government Authorities" when received. Account 783 shall be periodically charged, and Account 503, "Railway Operating Revenues—Amortization of Deferred Transfers from Government Authorities" shall be credited with amounts equal to the depreciation costs of the assets to which they apply.

(c) Government transfers in the form of, or designated for the purchase of nondepreciable operating property shall be included in Account 796, "Other Capital Surplus" in the manner described in the text of that account.

(d)(1) Transfers from the Federal Government to Amtrak and ConRail relating to the acquisitions, addition to, or improvement of depreciable or nondepreciable operating property shall be included in account 796 in the manner described in the text of that account.

(2) Transfers from the Federal Government to Amtrak and ConRail other than those described in paragraph (d)(1) shall be accounted for in accordance with paragraph (a) of this section.

(e) The provisions of this section do not apply to the following forms of government transfers:

(1) Government contributions in connection with construction projects in which government agencies and railroads participate. Transfers of this type shall be accounted for in accordance with the provisions of Instruction 2-17. Paragraph (b) of that instruction lists applicable construction projects.

(2) Government payment for specific services rendered by the carrier in transporting property or persons by rail line other than services described in paragraph (a)(1) of this section. Such payments shall be included in Account 501, "Railway Operating Revenues (Exclusive of Transfers from Government Authorities)."

(3) Government transfers relating to other than carrier operations.

(4) Government transfers in exchange for debt and/or equity securities of recipients.

(f) Government transfers shall generally be recorded when made available to the railroad. However, transfers relating to specific operations shall be recorded as earned.

(g) Government transfers in the form of assets other than cash shall be recorded at fair value when received.

* * * * *

PART 1206—UNIFORM SYSTEM OF ACCOUNTS FOR COMMON AND CONTRACT MOTOR CARRIERS OF PASSENGERS

Amend Part 1206—Uniform System of Accounts for Common and Contract Motor Carriers of Passengers:

LIST OF DEFINITIONS, INSTRUCTIONS AND ACCOUNTS

Under "Balance Sheet Accounts," the following revision is made:

The following line item is added after line item 2360, "Other Long-term Obligations":

2410 Deferred Revenues—Transfer from Government Authorities

* * * * *

Under "Income Accounts" the following revisions are made:

Line item 3000 is revised as follows:

3000 Operating Revenues (Exclusive of Transfers from Government Authorities)

The following line items are added after item 3600, "Miscellaneous Station Revenue":

3700 Operating Revenues—Transfers from Government Authorities for Current Operations

3800 Operating Revenues—Amortization of Deferred Transfers from Government Authorities

* * * * *

Income Statement Accounts

The title text of account 3000 is revised as follows:

3000 Operating Revenues (Exclusive of Transfers from Government Authorities).

This account shall include the total operating revenues as provided in the primary operating revenue accounts, derived by the carrier from its motor carrier operations during the period covered by the income account.

NOTE.—Transfers from government authorities shall be accounted for in accordance with the provisions of Instruction 2-35.

* * * * *

The following accounts and texts are added:

3700 Operating Revenues—Transfers from Government Authorities for Current Operations.

This account shall include amounts received or receivable from Federal, State, or municipal authorities which are specifically designated to offset operating expenses, or which may be applied at the discretion of the carrier to operating expenses and/or carrier operating property.

This account shall include amounts received from government authorities to offset operating costs sustained on specific routes, such as payments by regional transit authorities in connection with specified commuter operations performed by the carrier.

This account shall also include indirect receipts which reduce operating expenses such as assumption of station maintenance costs, abatement of taxes, or other indirect contributions by government agencies, if clearly identifiable and measurable.

NOTE: This account shall not include receipts from government agencies in the form of, or designated for the acquisition, addition to, or improvement of carrier operating property. (See instruction 2-35.)

3800 Operating Revenues—Amortization of Deferred Transfers from Government Authorities.

This account shall include the amortization applicable to amounts representing the cost of acquisition, addition to, or improvement of depreciable operating property received from Federal, State or muncipal authorities. (See instruction 2-35, and Account 2410, "Deferred Revenues—Transfers from Government Authorities.")

* * * * *

The text of Account 9999, "Form of Income Statement" is revised as follows:

9999 Form of Income Statement
3000 Operating Revenues (Exclusive of Transfers from Government Authorities)
3700 Operating Revenues—Transfers from Government Authorities for Current Operations
3800 Operating Revenues—Amortization of Deferred Transfers from Government Authorities

* * * * *

Balance Sheet Accounts

The following account and text is added:

2410 Deferred Revenues—Transfers from Government Authorities.

This account shall include amounts representing the cost of acquisition, addition to, or improvement of depreciable operating property received or receivable from Federal, State, or local authorities. Items to be included in this account shall be determined in accordance with instruction 2-35.

An appropriate record shall be maintained of each asset associated with these transfers showing: (1) Original cost to carrier (or fair value if not purchased), (2) accumulated depreciation, and (3) estimated salvage value, if any.

This account shall be charged periodically, and Account 3800, "Operating Revenues—Amortization of Deferred Transfers from Government Authorities," shall be credited with amounts equal to the depreciation costs of the assets to which they apply. When such assets are retired or otherwise disposed of, this account shall be charged, and Account 3800 concurrently credited with any remaining associated amounts. (See instruction 2-35).

NOTE.—This account shall not include government transfers in the form of, or designated for the purchase of land or other nondepreciable property. Transfers of this type are includable in Account 2900, "Unearned Surplus."

* * * * *

The text of Account 2900, "Unearned Surplus" is revised to read:

2900 Unearned Surplus.

(a) This account shall include all surplus not classified in this part as earned surplus. It shall include such items as surplus arising from the donations by stockholders of the carrier's capital stock; surplus recorded at reorganization or in connection with recapitalization; net credits resulting from reacquisition or resales of carrier's capital stock (see instruction 14); amortization of discount and expenses on capital stock (see instruction 12); and from a reduction of the par or stated value of the carrier's capital stock where allowed by statute.

(b) This account shall be subdivided into accounts to show each source of unearned surplus (including the cumulative amounts representing the cost of nondepreciable property received from government authorities, in accordance with the provisions of instruction 2-35).

(c) No entry shall be made in this account to create unearned surplus arising out of the reevaluation of carrier operating property except upon written order of the Commission.

* * * * *

The text of Account 2999, "Form for Balance Sheet Statement" is revised to read:

2999 Form of Balance Sheet Statement.

* * * * *

2360 * * *
2410 Deferred Revenues—Transfers from Government Authorities

* * * * *

Instructions

The following instruction is added:

2-34 * * *

2-35 Transfers from Governent Authorities.

When a Federal, State, or municipal government transfers cash or other assets to a motor carrier of passengers, the transaction shall be accounted for in accordance with the provisions set forth hereunder.

(a) The following forms of government transfers shall be included in Account 3700, "Operating Revenues—Transfers from Government Authorities for Current Operations" when received:

(1) payments as reimbursement for operating losses sustained on a specific route or in a certain region, such as support of busline commuter operations;

(2) subsidies designated by the donor to offset operating expenses of the recipient, and

(3) subsidies which may be applied at the discretion of the recipient to operating expenses and/or operating property.

(b) Government transfers relating to the acquisition, addition to, or improvement of depreciable operating property shall be included in Account 2410, "Deferred Revenues—Transfers from Government Authorities" when received. Account 2410 shall be periodically charged, and Account 3800, "Operating Revenues—Amortization of Deferred Transfers from Government Authorities" shall be credited with amounts equal to the depreciation costs of the assets to which they apply.

(c) Government transfers in the form of, or designated for the purchase of nondepreciable operating porperty shall be included in Account 2900, "Unearned Surplus" in the manner described in the text of that account.

(d) The provisions of this section do not apply to government payments for specific services rendered by the carrier in transporting passengers by bus line (other than services described in paragraph (a)(1) of this section). Such payments shall be included in Account 3000, "Operating Revenues (Exclusive of Government Transfers)."

(e) The provisions of this section do not apply to government transfers relating to other than carrier operations.

(f) The provisions of this section do not apply to government transfers in exchange for debt and/or equity securities of recipients.

(g) Government transfers shall generally be recorded when made available to the carrier. However, transfer relating to specific operations shall be recorded as earned.

(h) Government transfers in the form of assets other than cash shall be recorded at fair value when received.

* * * * *

PART 1241—ANNUAL, SPECIAL AND PERIODIC REPORTS

PART 1249—REPORTS OF MOTOR CARRIERS

Railroad Forms R-1, R-2 and MP-1 are amended as follows:

Schedule Addition to Annual Report Forms R-1, R-2, and MP-1

SCHEDULE ______

TRANSFERS FROM GOVERNMENT AUTHORITIES

[illegible] and Description of Government Transfers Received During Year	Amount	Applied to Current Operations	Deferred to Future Periods	Applied to Contributed Capital
Total Received During Year				
Cumulative Total of Government Transfers - Beginning of Year				
Cumulative Total of Government Transfers - End of Year				

[FR Doc. 78-19660 Filed 7-14-78; 8:45 am]

[7035-01]

PART 1307—FREIGHT RATE TARIFFS, SCHEDULES, AND CLASSIFICATIONS OF MOTOR CARRIERS

PART 1310—FREIGHT RATE TARIFFS AND CLASSIFICATIONS OF MOTOR COMMON CARRIERS

[Ex Parte No. MC-88]

Detention of Motor Vehicles—Nationwide

AGENCY: Interstate Commerce Commission.

ACTION: Final rule.

SUMMARY: The rules prescribed in this proceeding govern the detention of motor vehicles with and without power units and drivers. Prearranged scheduling and uniform nationwide charges are provided. The rules were found to be necessary to more economical and efficient transportation by motor carriage and to the elimination of the current confusion, ambiguity, and unlawful practices in the detention area. All motor common carriers to the extent their shipments are not specifically exempted are required to publish the rules without change except where clearly warranted by exceptional circumstances.

EFFECTIVE DATE: August 15, 1978.

FOR FURTHER INFORMATION CONTACT:

Janice M. Rosenak 202-275-7693, or Harvey Gobetz 202-275-7656.

SUPPLEMENTARY INFORMATION: On June 19, 1978, the effective date of the Commission's regulations in this proceeding published at 49 CFR 1307.35(e) and set forth in the decisions of May 25, 1976 (124 MCC 680), June 3, 1977 (126 MCC 803), and September 15, 1977 was stayed. The temporary stay was issued to establish an orderly compliance date following the denial on June 5, 1978, by the United States Supreme Court of a writ of certiorari in this proceeding. The Court's action left standing the favorable decision of the Third Circuit Court of Appeals in *Ford Motor Company* v. *United States* 569 F. 2d 196 (3d Cir. 1978).

In a decision of the Commission served July 6, 1978, it was found that immediate compliance with the regulations would be in the best interest of motor common carriers, owner-operators, and the shipping public. Consequently, carriers were ordered to make the rule effective 45 days from the service date of the decision on not less than 15-days' notice to the Commission and the public.

All detention rules, including the rules prescribed by the Commission in docket No. 33434, not in conformity with the regulations published at 49 CFR 1307.35(e) and/or 1310.15(l) were declared null and void and ordered stricken from the Commission's files 45 days after the service date of the decision unless such detention rules specifically apply to those shipments exempted from the scope of the prescribed regulations.

The decision did not affect the stay of the regulations, imposed by order served August 31, 1977, with respect to shipments of uncrated, uncartoned new furniture, fixtures, and appliances requiring inside strapping, wrapping, bracing, and other loading devices similar to those of the household goods moving industry. Ex Parte No. MC-88 (Sub-No. 2), Detention of Motor Vehicles-shipments of Uncrated New Furniture, Fixtures, and Appliances.

In addition, because of the pendency of Ex Parte No. MC-88 (Sub-No. 1), Detention of Motor Vehicles—Alaska, a stay of effectiveness of the regulations was granted with respect to detention occurring at origins and destinations within the State of Alaska. This stay is to last until further order of the Commission.

It may be anticipated that the rules will be modified from time to time. This is consistent with the Commission's express intention to keep the rules flexible in recognition of the substantial impact they will have on motor common carrier transportation. For this reason the proceeding remains open-ended. An analysis of the various sections of the rule may be found in *Detention of Motor Vehicles-Nationwide*, 124 MCC 680, 725-742 (1976), and to a lesser extent in 126 MCC 803 (1977) and the Commission's decision served on September 15, 1977, 42 FR 51589 (September 29, 1977).

Accordingly, effective July 6, 1978, 49 CFR 1307.35(e) and 1310.15(f) were amended to read as follows:

NANCY L. WILSON,
Acting Secretary.

Paragraph (e) of § 1307.35 is revised, and paragraph (f) of § 1310.15 is added. These two paragraphs read exactly the same.

§ 1307.35 Terminal and special services.

§ 1310.15 Terminal and other services—changes and allowances (rule 15).

* * * * *

(e) or (f) *Detention of vehicles.* The following rules apply to all shipments except shipments of household goods; commodities transported in bulk in tank trucks, dump trucks, vehicles pneumatically unloaded and other self-unloading mechanized vehicles; heavy and specialized commodities or articles requiring special equipment or handling outside the scope of the certificates of general commodities motor common carriers; livestock other than ordinary; articles picked up or delivered to railroad care in railroad owned or leased equipment having prior or subsequent transportation by rail; and shipments to consignors and consignees of waterborne commerce at marine terminal facilities to the extent that the marine terminal operator would be liable to the motor common carrier for truck detention under any applicable detention rule promulgated pursuant to the authority of the Federal Maritime Commission. All common carriers of property by motor vehicle subject to Interstate Commerce Act excepting those specifically excluded, supra, shall publish the below rule entitled "Detention-Vehicles With Power Units" and all such carriers engaging in the practice of spotting shall also publish the below rule entitled "Detention-Vehicles Without Power Units." The wording of the following rules may not be varied except where clearly warranted by exceptional circumstances, and where appropriate, the word "rule" may be substituted for the word "item."

(1) *Detention-vehicles with power units.* This item applies when carrier's vehicles with power units are delayed or detained on the premises of consignor, consignee, or on other premises designated by them, or as close thereto as conditions will permit, subject to the following provisions:

SEC. 1. *General provisions.* (a) This item applies only to vehicles which have been ordered or used to transport shipments subject to truckload rates. For the purposes of this item, the term truckload rates shall be considered to include shipments moving on a rate subject to a stated minimum weight of 10,000 pounds or more when not designated as a truckload rate, and, where applicable, shipments which are assessed charges based on the provisions of a Capacity Load Rule or are accorded Exclusive Use of Vehicle Service or Expedited Service.

(b) This item applies only when vehicles are delayed or detained at the premises of pickup or delivery and only when such delay or detention is not attributable to the carrier.

(c) Free time for each vehicle will be as provided in section 4. After the expiration of free time, charges will be assessed as provided in section 5.

(d) The detention charges due the carrier will be assessed against the consignor in the case of loading and against the consignee in the case of unloading, irrespective of whether line-haul charges are prepaid or collect. When detention charges are attributable to others who are not parties to the Bill of Lading, the party responsible for the payment of the freight charges will be responsible for any accrued detention. (See Note A).

(e) When carrier's employee assists in loading, unloading, or checking the freight, this item will apply whether or not the power unit is actually detained.

(f) Nothing in this item shall require a carrier to pick up or deliver freight at hours other than carrier's normal business hours. This shall not be construed to restrict a carrier's ability to accept pickup and delivery schedules at hours other than its normal business hours.

SEC. 2. *Definitions.* The following general definitions will apply when the below terms are used in this item:

(a) "Vehicle" means straight trucks or tractor-trailer combinations used for the transportation of property.

(b) "Loading" includes furnishing carrier with the Bill of Lading, forwarding directions, or other documents necessary for forwarding the shipment.

(c) "Unloading" includes: (1) Surrender of the Bill of Lading to the carrier on shipments billed "To Order"; (2) Payment of lawful charges to the carrier when required prior to delivery of the shipment; (3) Notification to the carrier that vehicle is unloaded; and (4) Signing of the delivery receipt.

(d) "Premises" means the entire property at or near the physical facilities of consignor, consignee, or other designated party.

(e) "Site" means a specific location at or on the premises of consignor, consignee, or other designated party.

(f) "Normal non-working periods" means meal, coffee, and rest breaks.

(g) "Pallet" means pallets, platforms, shipping racks, or skids with or without standing sides or ends, but without tops.

SEC. 3. *Computation of Time*—

(a) *Commencement and termination.* (1) The time per vehicle shall begin to run upon actual notification by carrier's employee to a responsible representative of consignor, consignee, or other designated party at the premises of pickup or delivery of the arrival of the vehicle for loading or unloading. Upon such notification, the responsible representative of consignor, consignee, or other designated party may enter the time of arrival onto the carrier's detention record. If the representative refuses to enter the time, then carrier's employee will enter the time and it will be binding upon each party.

(2) Time shall end upon completion of loading or unloading except as provided for in paragraph (c) of this section. Upon such completion, a responsible representative of consignor, consignee, or other designated party may enter the time of completion onto the carrier's detention record. If the representative refuses to enter the time, then carrier's employee will enter the time and it will be binding.

(b) *Prearranged scheduling.* (1) Subject to the provisions of item,[1] and upon reasonable request of consignor, consignee, or others designated by them, carrier will without additional charge enter into a prearranged schedule for arrival of the vehicle for loading or unloading.

(2) When the carrier enters into a prearranged schedule with consignor, consignee, or others designated by them for the arrival of the vehicle for loading or unloading and carrier is unable for any reason to maintain such schedule, then carrier and consignor, consignee, or other party designated by them have the option to agree to a mutually convenient and prompt alternative arrival time or in the event such agreement cannot be reached, to compute detention time against consignor, consignee, or other party designated by them from carrier's actual arrival time subject to an extension of 15 minutes for each 15 minutes or fraction thereof, the vehicle is delayed beyond the originally scheduled arrival time; in no case shall such extended free time exceed 60 minutes.

(3) If carrier's vehicle arrives prior to scheduled time, time shall begin to run from the scheduled time or actual time loading or unloading commences, whichever is earlier.

(c) *Conditions governing the computation of time.* (1) Computations of time are subject to and are to be made within the normal business hours at the designated place of pickup or delivery. If carrier is permitted to work beyond this period, such working time shall also be included.

(2) When loading or unloading is not completed at the end of normal business hours at the designated place, consignor, consignee, or other party designated by them shall have the option: (i) to request that the vehicle without power remain at its premises subject to the provisions of section 4(d); or (ii) to request that the vehicle with power be returned to carrier without being subject to charges for storage or redelivery so long as free time has not yet expired. When the vehicle is returned for completion of loading or unloading the computation of any remaining free time will resume. If free time has expired and detention has begun to accrue, storage or redelivery charges as may otherwise be provided will be assessed.

(3) When carrier's employee interrupts loading or unloading by the taking of any normal nonworking periods, any such time will be excluded from the computation of free time, or will be excluded from the computation of time in excess of free time.

SEC. 4. *Free time.* (a) Free time shall be computed as follows:

Actual weight in pounds per vehicle stop (see note b)	Free time in minutes per vehicle stop
Less than 10,000	120
10,000 but less than 20,000	180
20,000 but less than 28,000	240
28,000 but less than 36,000	300
36,000 but less than 44,000	360
44,000 or more	420

(b) When at least 90 percent of the shipment weight (exclusive of pallet weight) is loaded on pallets, or when the shipment is loaded on flatbed or other open top equipment, free time shall be one-half that amount normally applicable for the weight, not to exceed 120 minutes, except that, when open-top equipment is used in lieu of closed equipment to transport shipments of unpalletized general commodities, free time will be as provided in section 4(a).

(c) When more than one truckload shipment or a truckload shipment and one or more less-than-truckload or any quantity shipments are loaded on one vehicle at the premises of consignor or when more than one truckload shipment or a truckload shipment and one or more LTL or AQ shipments are unloaded from one vehicle at the premises of consignee or other designated party, the combined weight will be used to determine free time; in all other instances the individual shipment weight will be used.

(d) When a vehicle with power is changed to a vehicle without power at the request of consignor, consignee, or other party designated by them, the free time and detention charges will be applied as follows:

(1) If the change is requested and made before the expiration of free time for a vehicle with power, free time will cease immediately at the time the request is made, and detention charges for vehicles without power will immediately commence with no further free time allowed.

(2) If the change is requested and made after the expiration of free time for a vehicle with power, free time and detention charges will be computed on the basis of a vehicle with power up to the time the change was requested. In addition thereto, the vehicle will immediately be charged detention for vehicles without power with no further free time allowed.

(e) When a vehicle is both unloaded and reloaded, each transaction will be treated independently of the other, except that when loading is begun before unloading is completed, free time for loading shall not begin until free time for unloading has elapsed.

(f) Loading or unloading at more than one site at or on the premises of consignor, consignee, or other designated party shall constitute one vehicle stop.

SEC. 5. *Charges.* When the delay per vehicle beyond free time is 1 hour or less the charge will be $18. For each additional 30 minutes or fraction thereof, the charge will be $9.

SEC. 6. *Records.* A written record of the following information must be maintained by the carrier on all truckload shipments, and such record must be kept available at all times:

(a) Name and address of consignor, consignee, or other party at whose premises freight is loaded or unloaded; (b) Identification of vehicle tendered for loading or unloading; (c) Date and time of notification of arrival of the vehicle for loading or unloading; (d) Date and time loading or unloading is begun; (e) Date and time loading or unloading is completed; (f) Date and time vehicle is released by consignor, consignee, or other party at place of pickup or delivery after loading or unloading is completed; (g) Actual time of nonworking periods; (h) Total actual weight of shipment or shipments loaded or unloaded; (i) Whether vehicles are tendered under a prearranged schedule for loading or unloading; (j) Date and time specified for vehicles tendered under a prearranged schedule; (k) Alternative arrangement made when a vehicle is tendered under a prearranged schedule that was not adhered to.

NOTE A.—At those marine terminal facilities where Federal Maritime Commission detention charges apply, carrier charges pursuant to this rule will be assessed on the party responsible for the payment of the freight charges to the extent such charges exceed those of the Federal Maritime Commission.

NOTE B.—Also applies to the last vehicle used in transporting overflow truckload shipments, or to vehicles containing truckload shipments stopped for completion of loading or partial unloading.

(2) *Detention-vehicles without power units spotting or dropping of trailers.*

NOTE: This item applies when carrier's vehicles without power units are delayed or detained on the premises of consignor, consignee, or on other premises designated by them, or as close thereto as conditions will permit, subject to the following provisions:

SECTION 1. *General provisions.* (a) Subject to the availability of equipment, carrier will spot empty or loaded trailers for loading or unloading on the premises of consignor, consignee, or on other premises designated by them, or as close thereto as conditions will permit.

(b) Loading or unloading will be performed by consignor, consignee, or other

[1] Here the carrier is to identify its pertinent rule.

party designated by them. When carrier's employee assists in loading, unloading, or checking the freight, the detention provisions governing vehicles with power units will apply. In the case of spotting for loading the Bill of Lading must show "Shipper Load and Count."

(c) Carrier responsibility for safeguarding shipments loaded into trailers spotted under the provisions of this item shall begin when loading has been completed and possession thereof is taken by the carrier.

(d) Carrier responsibility for safeguarding shipments unloaded from trailers spotted under the provisions of this item shall cease when the trailer is spotted at or on the site designated by consignee.

(e) Free time for each vehicle will be as provided in section 3. After the expiration of free time charges will be assessed as provided in section 4.

(f) The detention charges due the carrier will be assessed against the consignor in the case of spotting for loading and against the consignee in the case of spotting for unloading irrespective of whether charges are prepaid or collect.

(g) Nothing in this item shall require a carrier to pick up or deliver spotted trailers at hours other than carrier's normal business hours. This shall not be construed as a restriction on carrier's ability to pick up or deliver spotted trailers at hours other than its normal business hours.

SEC. 2. *Definitions.* The following general definitions will apply when the below terms are used in this item:

(a) "Vehicle" means tractor-trailer combinations used for the transportation of property, where: (1) "Trailer" means mobile units used to transport property; and (2) "Tractor" means a mechanically powered unit used to propel or draw a trailer or trailers upon the highways.

(b) "Loading" includes: (1) Furnishing of the Bill of Lading, forwarding directions, or other documents necessary for forwarding the shipment to the carrier; and (2) notification to the carrier that the vehicle is loaded and ready for forwarding.

(c) "Unloading" includes: (1) Surrender of the Bill of Lading to the carrier on shipments billed "To Order"; (2) Payment of lawful charges to the carrier when required prior to delivery of the shipment; (3) Notification to the carrier that vehicle is unloaded and ready for forwarding; and (4) Signing of delivery receipts.

(d) "Premises" means the entire property at or near the physical facilities of consignor, consignee, or other designated party.

(e) "Site" means a specific location at or on the premises of consignor, consignee, or other designated party.

(f) "Spotting" means the placing of a trailer at a specific site designated by consignor, consignee, or other party designated by them, detaching the trailer, and leaving the trailer in full possession of consignor, consignee, or other designated party unattended by carrier's employee and unaccompanied by power unit. Carrier will not move the trailer until such time as it has received notification, pursuant to section 3, that the trailer is ready for pickup at any site on premises. Consignor, consignee, or other designated party may shift the spotted trailer with its own power units at its own expense and risk for the purpose of loading or unloading. Empty trailers placed at the premises of consignor without specific request are not spotted until the carrier recieves a consignor's request and places a trailer for spotting. Movement of the trailer from the consignor's premises to the specific site for spotting shall be the obligation of the carrier, and free time shall accrue as provided in section 3.

SEC. 3. *Computation of free time*—(a) *Commencement of spotting and free time.* (1) Spotted trailers will be allowed 24 consecutive hours of free time for loading or unloading. For trailers spotted for unloading, such time shall commence at the time of placement of the trailer at the site designated by consignee, or other party designated by consignee. For trailers spotted for loading, such time shall commence when the trailer is spotted at the site specifically designated by the consignor or a party designated by consignor.

(2) When any portion of the 24 hour free time extends into a Saturday, Sunday, or holiday (national, state, or municipal), the computation of time for such portion shall resume at 12:01 a.m. on the next day which is neither a Saturday, Sunday, or holiday.

(3) Free time shall not begin on a Saturday, Sunday, or holiday (national, state, or municipal), but at 8 a.m. on the next day which is neither a Saturday, Sunday, or holiday.

(4) When a trailer is both unloaded and reloaded, each transaction will be treated independently of the other, except that when unloading is completed, free time for loading shall not begin until free time for unloading has elapsed.

(b) *Termination of spotting and notification.* (1) Consignor, consignee, or other party designated by them shall notify carrier when loading or unloading has been completed and the trailer is available for pickup. The trailer will be deemed to be spotted and detention charges will accrue until such time as the carrier receives notification. Notification by telephone if convenient and practical, otherwise by telegraph or mail shall be given by consignor, consignee, or other party designated by them at their own expense, to carrier or other party designated by carrier for the purpose of advising such carrier or other party that the spotted trailer has been loaded or unloaded and is ready for pickup. If notification is by telephone, carrier may require written confirmation.

(2) When a spotted trailer is changed to a vehicle with power at the request of consignor, consignee, or other party designated by them, the free time and detention charges will be applied as follows: (i) If the change is requested and made before the expiration of free time for a spotted trailer, free time will cease immediately at the time the request is made, and detention charges for vehicles with power will immediately commence with no further free time allowed; and (ii) If the change is requested and made after the expiration of free time for a spotted trailer, free time and detention charges will be computed on the basis of a spotted trailer up to the time the change was requested. In addition thereto, the vehicle will immediately be charged detention for a vehicle with power with no further free time allowed.

(c) *Prearranged scheduling.* (1) Subject to the provisions of item,[2] and upon reasonable request of consignor, consignee, or others designated by them, carrier will without additional charge enter into a prearranged schedule for the arrival of trailers for spotting.

[2] Here the carrier is to identify its pertinent rule.

(2) If carrier's vehicle arrives later than the scheduled time, time shall begin to run from actual time spotting commences.

(3) If carrier's vehicle arrives prior to scheduled time, time shall begin to run from the scheduled time or actual time spotting commences, whichever is earlier.

SEC. 4. *Charges.* (a) *General Detention Charges.* After the expiration of free time as provided in section 3(a) of this item, charges for detaining a trailer will be assessed as follows:

	Charge
1. For each of the first and second 24-hour periods or fraction thereof (Saturdays, Sundays, and holidays excepted)	$25
2. For each of the third and fourth 24-hour periods or fraction thereof (Saturdays, Sundays, and holidays excepted)	35
3. For the fifth and each succeeding 24-hour period or fraction thereof (Saturdays, Sundays, and holidays included)	50

(b) *Delay in trailer pickup charge.* No additional charge will be made for picking up trailers spotted under this item when such pickup can be performed within 30 minutes after arrival of driver and power unit at premises of consignor, consignee, or other party designated by them. When a delay of more than 30 minutes is encountered, detention charges for vehicles with power will commence from the time of arrival as specified in item.[3]

(c) *Strike interference charge.* When because of a strike of its employees, it is impossible for consignor, consignee, or other party designated by them to make available for movement by carrier any partially loaded, or empty trailers detained on their premises, a detention charge of $25 per day or fraction thereof, per trailer will be made following expiration of free time. Saturdays, Sundays, and holidays shall be included after the fourth day of charges.

SEC. 5. *Records.* A written record of the following information must be maintained by the carrier on all spotted trailers, and such record must be kept available at all times: (a) Name and address of consignor, consignee, or other party at whose premises the trailer is spotted; (b) Identification of spotted trailer; (c) Date and time of arrival of the trailer for spotting; (d) Date and time notification that the spotted trailer is ready for pickup was received by carrier; (e) Date and time of arrival and departure of power unit for pickup; (f) The duration of any strike induced delay on the premises of consignor, consignee, or other designated party which resulted in carrier's inability to obtain the release of any trailer, and any actions taken to hasten the release; (g) Whether trailers are spotted under a prearranged schedule; and (h) When trailers are spotted under a prearranged schedule, the date and time specified therefor.

NOTE.—For the purposes of this item the terms spotting and dropping are considered to be synonymous and are used interchangeably.

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[3] Here the carrier is to identify its pertinent rule.