

§ 571.14 Fidelity bonds; acceptable surety companies.

§ 563.19 of this subchapter in part requires each insured institution to maintain bond coverage with a bonding company acceptable to the Corporation. Any surety or insurer meeting one or more of the following criteria is acceptable:

(a) Underwriters holding certificates of authority as acceptable sureties on Federal bonds, as listed in the most recent issue of the United States Treasury Department Circular No. 570, to the limits established by such circular;

(b) Underwriters currently licensed to issue surety bonds by the State in which the home office of the insured institution is located, subject to all restrictions and requirements imposed by the licensing State; or

(c) Underwriters approved to do business as surplus lines insurers under the laws of the State in which the home office of the insured institution is located, subject to all restrictions and requirements imposed by the surplus lines laws of such State.

(Secs. 402, 403, 407, 48 Stat. 1256, 1257, 1260, as amended; 12 U.S.C. 1725, 1726, 1730. Reorg. Plan No. 3 of 1947, 12 FR 4981, 3 CFR 1943-48 Comp., p. 1071.)

By the Federal Home Loan Bank Board.

J. J. FINN,
Secretary.

[FR Doc. 78-22692 Filed 8-14-78; 8:45 am]

[6705-01]

FARM CREDIT ADMINISTRATION

[12 CFR Parts 611, 612]

ORGANIZATION

Clarification of Existing Policy

AGENCY: Farm Credit Administration.

ACTION: Proposed rule.

SUMMARY: The Farm Credit Administration, by its Federal Farm Credit Board, has under consideration proposed amendments to its regulations dealing with the organization of the Farm Credit System, and its general rules covering certain transactions which constitute conflict-of-interest situations. The amendment to the regulations on organization is being made to clarify existing policy, and will have no impact on the operations of the

Farm Credit System. It is proposed that the section covering certain conflict-of-interest situations be deleted because of its limited applicability.

DATES: Written comments must be received on or before September 14, 1978.

ADDRESSES: Submit any comments or suggestions in writing to Donald E. Wilkinson, Governor, Farm Credit Administration, Washington, D.C. 20578. Copies of all communications received will be available for examination by interested persons in the Office of Director, Public Affairs Division, Office of Administration, Farm Credit Administration.

FOR FURTHER INFORMATION CONTACT:

Lee R. Brobst, Acting Deputy Governor, Office of Administration, Farm Credit Administration, 490 L'Enfant Plaza SW., Washington, D.C. 20578, 202-755-2181.

SUPPLEMENTARY INFORMATION: FCA's current regulations on the organization of the Farm Credit System do not adequately reflect the requirements of the Farm Credit Act of 1971 which specify that banks of the Farm Credit System must acquire Farm Credit Administration approval when establishing branches or other offices. The regulations are being rewritten to clarify this requirement.

FCA's regulations on personnel administration now contain a section which provides for reports to FCA whenever credit is extended to financial institutions, other than those within the Farm Credit System, on the basis of an obligation of a bank employee. Since 1972, experience has demonstrated that there is no substantial need for the reporting requirement. FCA staff has therefore recommended deletion of this section.

Chapter VI of title 12 of the Code of Federal Regulations is proposed to be amended by revising § 611.1070 as follows, and deleting § 612.2260.

§ 611.1070 Branches

A bank may establish branches or other offices necessary for the effective operation of its business if authorized by its board and approved by the Farm Credit Administration. An association may establish such branches or other offices necessary for the effective service to borrowers when approved by the supervising bank.

§ 612.2260 [Deleted]

(Secs. 5.9, 5.12, 5.18, 85 Stat. 619, 620, 621.)

C. T. FREDRICKSON,
Acting Governor,
Farm Credit Administration.

[FR Doc. 78-22891 Filed 8-14-78; 8:45 am]

[4810-22]

DEPARTMENT OF THE TREASURY

Customs Service

[19 CFR Part 101]

GENERAL PROVISIONS

Changes in the Field Organization of the Customs Service

AGENCY: United States Customs Service, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: This notice proposes to change the field organization of the Customs Service: (1) by extending the existing port limits of the Sault Ste. Marie, Mich., port of entry to include the Chippewa County International Airport; (2) by establishing a new port of entry at Dalton Cache, Alaska, and by transferring supervisory authority over the customs station at Haines, Alaska, from the Skagway, Alaska, port of entry to the proposed port of Dalton Cache; (3) by designating the Minot, N. Dak., International Airport as a customs station under the supervision of the port of Pembina, N. Dak.; (4) by extending the existing port limits of the Saginaw-Bay City, Mich., port of entry to include Flint, Mich., in a consolidated port of "Saginaw-Bay City-Flint"; and (5) by establishing a new customs district at Dallas/Fort Worth, Tex., to include the ports of Dallas/Fort Worth, Amarillo, and Lubbock, Tex., and Tulsa and Oklahoma City, Okla., all of which are now in the Houston, Tex., customs district.

These proposed changes are part of Customs continuing program to obtain more efficient use of its personnel, facilities, and resources, and to provide better service to carriers, importers, and the public.

DATES: Comments must be received on or before: October 16, 1978.

ADDRESS: Comments (preferably in triplicate) may be addressed to the Commissioner of Customs, Attention: Regulations and Legal Publications Division, U.S. Customs Service, 1301 Constitution Avenue NW., Room 2335, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT:

Robert Schenarts, Inspection and Control Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229, 202-566-8151.

SUPPLEMENTARY INFORMATION:

BACKGROUND

As part of a continuing program to obtain more efficient use of its personnel, facilities, and resources, and to provide better service to carriers, im-

porters, and the public, the Customs Service proposes to make the following changes in its field organization.

SAULT STE. MARIE, MICH.

Because of a shift in air service from the City-County Airport, located within the present limits of the Sault Ste. Marie Customs port of entry, to the Chippewa County International Airport, located outside of the present port limits, it is proposed to extend the limits of the Sault Ste. Marie, Mich., port of entry (Region IX) to include the Chippewa County International Airport.

As extended, the geographical boundaries of the Sault Ste. Marie, Mich., port of entry would include the following:

All the territory within the corporate limits of Sault Ste. Marie—that is, the area bordered on the north, northeast, and northwest by the St. Mary's River, and on the south, southeast, and southwest by 3 Mile Rd.—and that area from the Sault Ste. Marie city limits (3 Mile Road) along Interstate Route 75 in a southerly direction, passing through sections 24, 25, 26, and 35 of Township 47 North, Range 1 West of Soo Township; sections 2, 11, 14, 15, 22, 27, 33, and 34 of Township 46 North, Range 1 West; sections 4, 5, and 8 of Township 46 North, Range 1 West of Dafter Township; and including section 18 of Township 45 North, Range 1 West and section 24 of Township 45 North, Range 2 West of Kinross Township, including all ramps and exits at marker 378; from marker 378 in a southeasterly direction along State Highway 63 within section 24 of Township 45 North, Range 2 West of Kinross Township, including those parcels of land known as the Chippewa County International Airport located in sections 5, 6, and 8 of Township 44 North, Range 1 West of Pickford Township and sections 30, 31, and 32 of Township 45 North, Range 1 West of Kinross Township.

DALTON CACHE AND HAINES, ALASKA

Vessels (including ferryboats), vehicles, persons, and cargo entering Alaska from Canada in the area of Dalton Cache/Haines presently undergo Customs formalities at the customs station at Haines, located 42 miles south of the United States/Canada border on State Route 7.

Construction of a Federal facility at the border crossing at Dalton Cache began in the Spring of 1978. When the facility is completed, Customs will be able to perform its functions relating to the entry and clearance of vehicles, persons, and cargo at Dalton Cache. Customs at Haines will continue to be responsible for the entry and clearance of ferryboats and other vessels. The entry and clearance of vehicles, persons, and cargo at the border crossing instead of 42 miles to the south will enhance Customs enforcement capabilities while at the same time enabling Customs to provide more convenient service to the public.

For these reasons, it is proposed to designate Dalton Cache, Alaska (region VIII), as a customs port of entry. The geographical boundaries of the Dalton Cache port of entry would include the following:

That area within the boundaries of section 14, township 28 south, range 54, east of Copper River Meridian, in the State of Alaska.

Because of the geographical and work relationships of Haines to Dalton Cache, Customs has determined that Haines could be more effectively supervised if it were maintained as a station under the jurisdiction of the proposed port of Dalton Cache instead of under the port of Skagway, Alaska, as at present. Accordingly, it also is proposed to transfer jurisdiction over the customs station at Haines from the Skagway port of entry to the proposed Dalton Cache port of entry. The geographical limits of the Haines customs station would include the following:

That area within the boundaries of sections 26, 27, 28, and 29, township 30 south, range 59, east of Copper River Meridian, in the State of Alaska.

MINOT, N. DAK.

It is proposed to designate the Minot, N. Dak., international airport as a customs station under the supervision of the Pembina, N. Dak., port of entry (region IX). Although customs personnel are stationed at the airport, its present lack of designation as a customs station has resulted in problems in the clearance of in-bound shipments of merchandise which will be resolved by the proposed action.

SAGINAW-BAY CITY AND FLINT, MICH.

To meet the expanding needs of the importing community in the Flint, Mich., area, and to provide for the most efficient use of available Customs manpower and other resources in that area, it is proposed to extend the limits of the Saginaw-Bay City, Mich., port of entry (Region IX) to include Flint, Mich., in a consolidated port of entry to be known as "Saginaw-Bay City-Flint". As extended, the geographical boundaries of the consolidated port of entry of Saginaw-Bay City-Flint, Mich., would include the following:

All the territory within the corporate limits of Saginaw and Bay City, Mich.; the territory embracing the townships of Zilwaukee, Carrolton and Buena Vista, in Saginaw County; the townships of Portsmouth and Frankenlust, in Bay County; and the right of way of Interstate Route 75, south to and including Flint Township; the city of Flint; and that portion of Genesee Township bounded by Saginaw Street on the west, Stanley Road on the north, Lewis Road on the east, and the city of Flint on the south, all in the State of Michigan.

DALLAS/FORT WORTH, TEX.

Dallas/Fort Worth is the only metropolitan area among the nation's 10 largest in import-export transactions that does not have a Customs district office, and its Customs collections exceed those of 13 established districts. In terms of airborne shipping weights and dollar value, Dallas/Fort Worth is exhibiting a greater growth rate than many existing districts. The airport has the fifth largest passenger volume in the United States. The Customs entry workload at Dallas/Fort Worth is 27 percent of the total for the Houston district, of which it is a part. Dallas/Fort Worth also clears 47 percent of the Houston's district's total air passengers.

To accommodate the present needs and growth potential of the Dallas/Fort Worth, Tex., area, it is proposed to establish a new Customs district in region VI. The new district would include the ports of entry of Dallas/Fort Worth, Amarillo, and Lubbock, Tex., and Tulsa and Oklahoma City, Okla., all of which now are in the Houston, Tex., district. The geographical boundaries of the new district would include the following:

That portion of the State of Texas north of 32 degrees north latitude and all of the State of Oklahoma.

If the new district is established, the northern boundaries of the Houston and Larado, Tex., customs districts would become 32 degrees north latitude.

If the proposed changes are adopted, the lists of customs regions, districts and ports of entry in § 101.3 of the customs regulations (19 CFR 101.3) and the list of customs stations and their supervisory ports in § 101.4 of the customs regulations (19 CFR 101.4) would be amended to reflect the changes.

COMMENTS

Before adopting this proposal, consideration will be given to any written comments submitted to the Commissioner of Customs. Comments submitted will be available for public inspection in accordance with section 103.8(b) of the customs regulations (19 CFR 103.8(b)) during regular business hours at the Regulations and Legal Publications Division, Room 2335, Headquarters, U.S. Customs Service, 1301 Constitution Avenue, NW., Washington, D.C. 20229.

AUTHORITY

This change is proposed under the authority vested in the President by section 1 of the Act of August 1, 1914, 38 Stat. 623, as amended (19 U.S.C. 2), and delegated to the Secretary of the Treasury by Executive Order No. 10289, September 17, 1951 (3 CFR 1949-1953 Comp., Ch. II), and pursu-

PROPOSED RULES

ant to authority provided by Treasury Department Order No. 190, Rev. 15 (43 FR 11884).

DRAFTING INFORMATION

The principal author of this document was Harold M. Singer, Regulations and Legal Publications Division, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other Customs offices participated in its development.

Dated: August 4, 1978.

RICHARD J. DAVIS,
Assistant Secretary of the
Treasury.

[FR Doc. 78-22723 Filed 8-14-78; 8:45 am]

[4110-07]

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE

Social Security Administration

[20 CFR Part 404]

OLD-AGE, SURVIVORS, AND DISABILITY
INSURANCE PROGRAM

Maintenance and Revision of Records of
Wages and Self-Employment Income

AGENCY: Social Security Administration, HEW.

ACTION: Notice of decision to develop regulations.

SUMMARY: The Social Security Administration (SSA) keeps a record of the earnings of each person who works in employment or self-employment covered by the social security program under title II of the Social Security Act. Social security benefits are based upon the worker's earnings as shown in the records maintained by SSA. SSA plans to rewrite and reorganize the regulations that contain the rules on earnings records. The purpose is to make these regulations clearer and easier to use and to make these regulations a more complete and accurate statement of current policy. These regulations are in Subpart I of Part 404 of the regulations. Since no policy changes are planned, the Department of Health, Education, and Welfare has classified the proposed revision of these regulations as being technical in nature.

FOR FURTHER INFORMATION,
CONTACT:

James MacDonald, Room 4234 West High Rise Building, 6401 Security Boulevard, Baltimore, Md. 21235, 301-594-5298.

Dated: July 26, 1978.

DON WORTMAN,
Acting Commissioner
of Social Security.

[FR Doc. 78-22693 Filed 8-14-78; 8:45 am]

[4110-07]

[20 CFR Part 404]

RETIREMENT, SURVIVORS, AND DISABILITY
INSURANCE

Changes in Earnings Test—Elimination of the
Monthly Measure

AGENCY: Social Security Administration, HEW.

ACTION: Notice of decision to develop regulations.

SUMMARY: We plan to publish an interim regulation to implement the changes in the earnings test required by the 1977 amendments to the Social Security Act. We believe that a regulation is needed to uniformly implement the changes in the annual and monthly earnings tests. The statute provides for fractional monthly exempt amounts (but is not specific about how to handle them) for beneficiaries age 65 or older; and it provides for the elimination of the monthly earnings test to be effective January 1978 (but it is not specific how we are to treat people already on the rolls).

The regulations will explain how and when to apply the monthly test; that every individual is entitled to the monthly earnings test at least once and is entitled again when there is a break in entitlement and the reentitlement is to another type of benefit; that the monthly test will be used in the first year a beneficiary has a non-service month whether or not the beneficiary had any earnings (the grace year) and that a beneficiary may have already used the grace year for the currently entitled benefit; that after 1981, a beneficiary can earn any annual amount and receive monthly benefits for all months he or she is age 70 and over; and that fractional amounts will be rounded to the next higher whole dollar amount.

We intend to provide in the regulations the specificity necessary to implement to statute uniformly so that the public will not have the provisions applied differently depending upon interpretation. We plan to publish in interim form and allow for a comment period because a portion of the amendments is already effective and an NPRM is unnecessary.

Regulatory sections 404.428(a), 404.430(b), 404.435 (a), (b), (c), (d), and (e) will be changed to accommodate the amended provisions of the law. New regulatory sections 404.430(d),

404.430(f), 404.430(g), and 404.430(h) will be added to incorporate the new provisions of the amendments. The proposed regulations are classified as policy significant.

FOR FURTHER INFORMATION
CONTACT:

Ms. Mamie Cavell, Room 4-G-10,
West High Rise Building, 6401 Security Boulevard, Baltimore, Md.
21235, telephone 301-594-5599.

Dated: August 3, 1978.

DON WORTMAN,
Acting Commissioner
of Social Security.

[FR Doc. 78-22727 Filed 8-14-78; 8:45 am]

[4110-03]

Food and Drug Administration

[21 CFR Part 73]

[Docket No. 77C-0208]

LISTING OF COLOR ADDITIVES EXEMPT FROM
CERTIFICATION

Ferric Ammonium Ferrocyanide

AGENCY: Food and Drug Administration.

ACTION: Proposed rule.

SUMMARY: This document proposes to revise the specifications for ferric ammonium ferrocyanide by increasing tolerances for water soluble cyanide, total cobalt, and total nickel, and by adding specifications for water soluble cobalt and water soluble nickel. These revisions are clarifications which are in response to supplementary letters to an objection and a subsequent citizen's petition submitted by manufacturers of the color additive.

DATE: Comments by October 16, 1978.

ADDRESS: Written comments to the Hearing Clerk (HFA-305), Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville, Md. 20857.

FOR FURTHER INFORMATION
CONTACT:

Gerard L. McCowin, Bureau of Foods (HFF-334), Food and Drug Administration, Department of Health, Education, and Welfare, 200 C Street SW., Washington, D.C. 20204, 202-472-5740.

SUPPLEMENTARY INFORMATION: A regulation published in the FEDERAL REGISTER of July 29, 1977 (42 FR 38562) listed ferric ammonium ferrocyanide for use in externally applied drugs and cosmetics, including those drugs and cosmetics intended for use in the area of the eye. A final rule published in the FEDERAL REGISTER of

February 17, 1978 (43 FR 6937) confirmed the effective date of August 29, 1977 for the "permanent" listing of ferric ammonium ferrocyanide, and also increased the tolerances for cobalt and nickel from 30 parts per million (ppm) to 60 ppm in response to an objection to the regulation of July 29, 1977 submitted by the petitioner (the Cosmetic, Toiletry, and Fragrance Association, Inc.).

In a letter of September 22, 1977, which was submitted after expiration of the comment period for the July 29, 1977 regulation, Mallinckrodt, Inc., requested further increases in the cobalt and nickel specifications to 200 ppm, an increase in the water soluble cyanide specification to 10 ppm, and changes in the identity of the color additive to include ferric ferrocyanide as well as ferric ammonium ferrocyanide. These requests for changes in the cobalt, nickel, and cyanide specifications were considered to be related to the fact that Mallinckrodt's product is ferric ferrocyanide and not ferric ammonium ferrocyanide. Hence, they were dismissed as part of the ferric ammonium ferrocyanide regulation along with Mallinckrodt's request for inclusion of ferric ferrocyanide. Subsequently, in a letter of January 31, 1978, Mallinckrodt requested an increase in the cobalt, nickel, and cyanide specifications for ferric ammonium ferrocyanide.

In addition, Mearl Corp. submitted a citizen petition (CAP 8C0138) on March 17, 1978, that requested, among other actions, that the tolerance for water soluble cyanide in ferric ammonium ferrocyanide be increased to 10 ppm. Other portions of this citizen petition are addressed in a regulation published elsewhere in this issue of the FEDERAL REGISTER that restores ferric ferrocyanide (iron blue) to the provisional list. Requests to revise the water soluble cyanide specifications were also supported by letters from Sun Chemical Corp. and Hilton-Davis.

The Commissioner of Food and Drug has reviewed the data submitted by Mallinckrodt, Inc. and other interested parties, as well as data in the original petition, and finds that a tolerance for water soluble cyanide of 10 ppm in ferric ammonium ferrocyanide for externally applied drugs and cosmetics is consistent with public safety because under conditions of use of the color additive, the amounts of releasable cyanide are far below tolerated levels.

Tolerances for cobalt and nickel were increased to 60 ppm each by the final rule of February 17, 1978, on the basis that most of the cobalt and nickel would be expected to be bound in the color additive and, therefore, would not be biologically available. These levels of cobalt and nickel were

well below those for the alkali-resistant grade of ferric ammonium ferrocyanide, which has not been adequately tested for safety. At this time the color additive that is approved for cosmetic and drug use must be readily distinguished from the alkali-resistant grade to ensure the safe use of ferric ammonium ferrocyanide. The requested levels of 200 ppm cobalt and 200 ppm nickel in ferric ammonium ferrocyanide are also well below the levels found in the alkali-resistant grade. As long as the cobalt and nickel are bound in the color complex, ferric ammonium ferrocyanide with 200 ppm each of cobalt and nickel would be considered safe for use in externally applied drugs and cosmetics, including drugs and cosmetics intended for use in the area of the eye. To assure that the cobalt and nickel are bound in the color additive, the revised specifications include tolerances for water soluble cobalt and water soluble nickel as well as for total cobalt and total nickel.

The Commissioner has carefully considered the environmental effects of the proposed regulation and, because the proposed action will not significantly affect the quality of the human environment, has concluded that an environmental impact statement is not required. A copy of the environmental impact assessment is on file with the Hearing Clerk, Food and Drug Administration.

Therefore, under the Federal Food, Drug, and Cosmetic Act (sec. 706 (b), (c), and (d), 74 Stat. 399-403 as amended (21 U.S.C. 376 (b), (c), and (d)) and under authority delegated to him (21 CFR 5.1), the Commissioner of Food and Drugs proposes to amend part 73 in § 73.1298 by revising paragraph (b) to read as follows:

§ 73.1298 Ferric ammonium ferrocyanide.

(b) *Specifications.* Ferric ammonium ferrocyanide shall conform to the following specifications and shall be free from impurities other than those named to the extent that such other impurities may be avoided by good manufacturing practice:

Oxalic acid or its salts, not more than 0.1 percent.

Water soluble matter, not more than 3 percent.

Water soluble cyanide, not more than 10 parts per million.

Volatile matter, not more than 4 percent.

Lead (as Pb), not more than 20 parts per million.

Arsenic (as As), not more than 3 parts per million.

Nickel (as Ni), not more than 200 parts per million.

Water soluble nickel, not more than 5 parts per million.

Cobalt (as Co), not more than 200 parts per million.

Water soluble cobalt, not more than 5 parts per million.

Mercury (as Hg), not more than 1 part per million.

Total iron (Fe), not less than 33 percent and not more than 37 percent.

Interested persons may, on or before October 16, 1978, submit to the Hearing Clerk (HFA-305), Food and Drug Administration, Room 4-65, 5600 Fishers Lane, Rockville, Md. 20857, written comments regarding this proposal. Four copies of all comments shall be submitted, except that individuals may submit single copies of comments, and shall be identified with the Hearing Clerk docket number found in brackets in the heading of this document. Received comments may be seen in the above office between the hours of 9 a.m. and 4 p.m., Monday through Friday.

In accordance with Executive Order 12044, the economic effects of this proposal have been carefully analyzed, and it has been determined that the proposed rulemaking does not involve major economic consequences as defined by that order. A copy of the regulatory analysis assessment supporting this determination is on file with the Hearing Clerk, Food and Drug Administration.

Dated: August 8, 1978.

WILLIAM F. RANDOLPH,
Acting Associate Commissioner
for Regulatory Affairs.

[FR Doc. 78-22657 Filed 8-14-78; 8:45 am]

[4830-01]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

[LR-106-75]

INCOME OF FOREIGN GOVERNMENTS

Notice of Proposed Rulemaking

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed regulations relating to the taxation of income of foreign governments. The regulations would provide guidance for taxing foreign sovereigns on their income from commercial activities within the United States.

DATES: Written comments and requests for a public hearing must be de-