

County	Natural disaster(s)	Date(s)
Cameron.....	Drought.....	Aug. 1, 1977 to July 11, 1978.
Roberts.....	do.....	Aug. 1, 1977 to May 31, 1978.
Do.....	Grasshopper Damage.	June 1, 1978 to July 10, 1978.
Do.....	Hot Dry Winds.	June 1, 1978 to July 10, 1978.
Wood.....	Drought.....	Mar. 15, 1978 to July 10, 1978.

and adjacent counties within the State of Texas as a result of natural disasters as indicated. All other information remains the same; i.e., the termination dates for filing applications for physical damage is close of business October 11, 1978, and for economic injury until the close of business on December 11, 1978.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008.)

Dated: August 11, 1978.

A. VERNON WEAVER,
Administrator.

[FR Doc. 78-23420 Filed 8-21-78; 8:45 am]

[4910-06]

DEPARTMENT OF TRANSPORTATION

Federal Railroad Administration

FREIGHT CAR SAFETY STANDARDS

Petition for Waiver

As required by 45 U.S.C. 431(c), notice is hereby given that six private car owners have submitted waiver petitions to the Federal Railroad Administration (FRA). Each petition requests that the owner or private car company be granted a waiver of compliance with certain safety standards contained in the FRA Freight Car Safety Standards (49 CFR Part 215).

FRA issued the initial provisions governing freight cars on July 11, 1974 (39 FR 25498) and most recently amended the provisions on October 6, 1976 (41 FR 44043). Each of the owners or private car companies, which are identified below, are generally seeking a waiver of compliance with specific provisions of the standards on a temporary basis. A brief description of the particular facts involved in each request as well as the particular regulatory provision is identified below.

Interested persons are invited to participate in these proceedings by submitting written comments or views. The FRA has not scheduled an opportunity for oral comment since the facts do not appear to warrant it. How-

ever, the FRA will provide an opportunity for oral comment if requested to do so by any interested party. Such requests must be in writing and must be submitted to the FRA before August 31, 1978.

All communications concerning these proceedings should identify the appropriate docket number (e.g. FRA Waiver Petition Docket No. RSFC-76-3) and must be submitted in triplicate to the Docket Clerk, Office of the Chief Counsel, Federal Railroad Administration, Nassif Building, 400 Seventh Street SW., Washington, D.C. 20590. Communications received before September 15, 1978, will be considered by the FRA before final action is taken. Comments received after that date will be considered as far as practicable. All comments received will be available for examination, both before and after the closing date for comments, during regular business hours in Room 5101, Nassif Building, 400 Seventh Street, SW., Washington, D.C. 20590.

[Waiver Petition Docket RSFC-78-3]

AMSTAR CORP.

The Amstar Corp. seeks a temporary waiver of compliance with the provisions of § 215.25 which require that all freight cars be given their initial periodic inspection no later than December 31, 1978, unless the car was recently constructed or reconditioned. Amstar, which owns and maintains a fleet of 51 freight cars, requests that the waiver be applicable to only a portion of its fleet.

Amstar indicate that its fleet includes 10 covered hopper cars and 41 tank cars. These cars are used to haul dry and liquid sugar. The waiver is sought for 22 tank cars and 7 hoppers, the cars for which the waiver is sought were built between 1964 and 1971 and bear ASRX reporting marks.

Amstar seeks a waiver of compliance to the extent that it be allowed until December 31, 1979, to complete the initial inspection of this segment of its fleet. Amstar indicate that it does not use its cars to haul hazardous materials.

In support of its request, Amstar notes that it will not have enough cars in service to adequately handle its current volume of business if cars are placed in shops in an attempt to comply with the inspection deadlines. Amstar indicated that to the best of its knowledge, the cars for which the waiver is sought have not been involved in any accidents.

[Waiver Petition Docket RSFC-78-4]

ETHYL CORP.

The Ethyl Corp. seeks a temporary waiver of compliance with the provi-

sions of § 215.25 which require that all freight cars be given their initial periodic inspection no later than December 31, 1978, unless the car was recently constructed or reconditioned. Ethyl, which owns and operates a fleet of 895 freight cars, requests that the waiver be applicable to only a portion of its fleet.

Ethyl indicates that its current fleet includes 827 tank cars and 68 covered hoppers. Ethyl requests that the waiver be applicable to 52 hopper cars. The hoppers bear EBAX reporting marks and were built between 1965 and 1970.

Ethyl seeks a waiver of compliance to the extent that it be allowed until December 31, 1979, to complete the initial inspection of its fleet. Ethyl indicates that it will be unable to complete the initial inspection by the prescribed deadline. In requesting the waiver, Ethyl notes that the waiver is not being sought for any cars that would be used to transport hazardous materials. Any freight cars owned by Ethyl and used to transport such commodities will be given their initial periodic inspection within the period prescribed by the regulation.

In support of its request, Ethyl has presented statistical data from its safety records. The records from 1975 to the present indicate that during that period no hoppers have caused or contributed to derailments.

[Waiver Petition Docket RSFC-78-5]

INTERNATIONAL MINERALS AND CHEMICAL CORP.

The International Minerals and Chemical Corp. (IMC) seeks a temporary waiver of compliance with the provisions of § 215.25 which require that freight cars be given their initial periodic inspection no later than December 31, 1978, unless the car was recently constructed or reconditioned. IMC, which owns a fleet of approximately 1,650 freight cars, requests that the waiver be applicable to only a portion of its fleet.

IMC, a manufacturer and shipper of basic fertilizer and chemical products, indicates that its fleet includes 1,296 hopper cars and 356 tank cars. IMC seeks a waiver of compliance to the extent that it be allowed until December 31, 1979, to complete the initial inspection of an unspecified number of its non-placarded hopper cars. IMC notes that the waiver is not being sought for any cars that would be used to transport hazardous materials. Any freight cars used to transport such commodities will be given their initial periodic inspection within the period prescribed by the regulation.

In support of its request, IMC notes that it must rely on contract repair

shops to perform the inspections and that inspection efforts have been delayed because most contract repair shops were not authorized to perform inspections until early 1977. IMC notes in addition that it will be unable to service its customers adequately if the waiver is denied. In seeking this waiver, IMC has not presented information concerning the safety record of the cars for which the waiver is sought.

[Waiver Petition Docket RSFC-78-6]

TEXASGULF, INC.

Texasgulf, Inc., seeks a temporary waiver of compliance with the provisions of §215.25 which require that freight cars be given their initial inspection no later than December 31, 1978, unless the car was recently constructed or reconditioned. Texasgulf, which owns and operates a fleet of 382 covered hopper cars, seeks a waiver to the extent that it be allowed until December 31, 1979, to complete the initial inspection of a portion of its fleet.

Texasgulf seeks a waiver of compliance to the extent that it be allowed until December 31, 1979, to complete the initial inspection of approximately fifty cars in its fleet. In requesting the waiver, Texasgulf notes that the waiver is not being sought for any cars in placarded service.

Texasgulf indicates that the cars for which the waiver is sought normally carry fertilizer. They bear TGAX reporting marks in the series from 381001 to 471575 and were manufactured between 1968 and 1970. These cars travel approximately 20,000 to 25,000 miles annually.

In support of its request for a waiver, Texasgulf notes the existence of a severe national shortage of covered hopper cars, crowded conditions in the nation's repair shops, and the priority given to cars in the placarded service. Texasgulf indicates that none of the cars for which the waiver is sought has been a primary or contributing cause to a derailment.

[Waiver Petition Docket RSFC-78-7]

TENNESSEE EASTMAN

Tennessee Eastman Co. seeks a temporary waiver of compliance with the provisions of §215.25 which require that all freight cars be given their initial periodic inspection no later than December 31, 1978 unless the car was recently constructed or reconditioned. Tennessee Eastman, which operates a fleet of approximately 1,800 freight cars, requests that the waiver be applicable to only a portion of its fleet.

Tennessee Eastman, a division of Eastman Kodak Co., notes that its fleet currently consists of approxi-

mately 1,300 tank cars and 500 hopper cars, 1,500 of which are leased. The cars for which the waiver is sought bear ETCX reporting marks in the 119-199 and 800-824 series. The average age of these cars is fifteen years and they are used to carry the plastics polyethylene and polypropylene.

Tennessee Eastman seeks a waiver of compliance to the extent that it be allowed until December 31, 1979, to complete the initial inspection of 76 covered hopper cars. Tennessee Eastman indicates that it will be unable to complete the inspection of this portion of its fleet by the prescribed deadline. In requesting the waiver, Tennessee Eastman notes that the cars for which the waiver is sought are not used to transport hazardous materials requiring placards.

In support of its request, Tennessee Eastman notes a number of problems which have delayed the initiation and completion of the inspections. Among the problems which Tennessee Eastman cites are congestion at shops and at rail yards around shops and the refusal of lessor shops in 1977 to accept cars solely for FRA inspection. Tennessee Eastman states that no data is available describing the safety record of its fleet.

[Waiver Petition Docket RSFC-78-8]

CONTINENTAL OIL Co.

Continental Oil Co. (Conoco) seeks a temporary waiver of compliance with the provisions of §215.25 which require that all freight cars be given their initial periodic inspection no later than December 31, 1978, unless the car was recently constructed or reconditioned. Conoco, which owns and operates a fleet of 953 freight cars, requests that the waiver be applicable to only a portion of its fleet.

Conoco indicates that 412 of its cars are in the non-placarded service, including the cars for which the waiver is sought. The cars for which the waiver is sought bear CONX reporting marks in assorted series numbers. Approximately 90 percent were constructed between 1964 and 1971. The remainder were constructed between 1935 and 1964.

Conoco seeks a waiver to the extent that it be allowed 4 to six months beyond the December 31, 1978 deadline to complete the initial inspection of 164 cars. Conoco indicates that it will be unable to complete the inspection of this portion of its fleet by the prescribed deadline. In support of its request, Conoco notes insufficient shop capacity and a shortage of replacement equipment. Conoco also notes that to the best of its knowledge none of its cars was responsible for derailments in 1977.

(AUTHORITY: Section 202 of the Federal Road Safety Act of 1970 (45 U.S.C. 431), as

amended by Sec. 5(b) of the Federal Railroad Authorization Act of 1976, Pub. L. 94-348, 90 Stat. 817, July 8, 1976; §1.49(n) of the regulations of the Office of the Secretary, 49 CFR 1.49(n).)

Issued in Washington, D.C. on August 15, 1978.

ROBERT H. WRIGHT,
Acting Chairman,
Railroad Safety Board.

[FR Doc. 78-23549 Filed 8-22-78; 8:45 am]

[4830-01]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

PROPOSED REVENUE PROCEDURE ON PRIVATE TAX-EXEMPT SCHOOLS

Proposed Revenue Procedure

AGENCY: Internal Revenue Service, Treasury.

ACTION: Proposed revenue procedure.

SUMMARY: This document contains a proposed revenue procedure which would set forth new guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under the Internal Revenue Code.

DATE: Written comments must be delivered or mailed by October 23, 1978. The proposed revenue procedure, if adopted, will be effective on the date of final publication.

ADDRESS: Send comments to: Commissioner of Internal Revenue, Attention: E:EO, Washington, D.C. 20224.

FOR FURTHER INFORMATION CONTACT:

James E. Griffith, of the Exempt Organization Division, Internal Revenue Service, Washington, D.C. 20224, 202-566-6181.

SUPPLEMENTARY INFORMATION: The proposed revenue procedure which is being published for public comment adopts new administrative guidelines with respect to certain private schools claiming tax exemption under section 501(c)(3) of the Internal Revenue Code. These guidelines will be used to determine whether such schools are in fact operated on a racially nondiscriminatory basis. Private schools which are racially discriminatory are not entitled to tax exemption under section 501(c)(3) of the Internal Revenue Code.

The proposed revenue procedure deals primarily with two types of schools: (1) Those which have been held by a court or agency to be racially discriminatory, and (2) those which

have an insignificant number of minority students and were formed or substantially expanded at or about the time of desegregation of the public schools in the community. Generally, the Service will consider these schools to be racially discriminatory unless the schools can show that they now have a significant minority enrollment or that they are in good faith operated on a nondiscriminatory basis. If the schools cannot make such showings, the Service will consider the schools to be racially discriminatory, and tax exemption will be revoked or denied. In certain cases, schools may be allowed a grace period to bring themselves into compliance with the guidelines.

In accordance with paragraph 5.b. of the proposed Treasury Directive appearing in the FEDERAL REGISTER for Wednesday, May 24, 1978 (43 FR 22319), this document does not meet the Treasury Department's criteria for significant regulations set forth in paragraph 8 of that proposed Treasury Directive.

PUBLIC COMMENTS

Before this proposed revenue procedure is adopted, consideration will be given to any written comments that are submitted (preferably six copies) to the Commissioner of Internal Revenue. All comments will be available for public inspection and copying.

JEROME KURTZ,
Commissioner of
Internal Revenue.

The following revenue procedure is proposed for adoption.

SECTION 1. Purpose. .01 This revenue procedure sets forth the guidelines the Internal Revenue Service will apply in determining whether certain private schools have racially discriminatory policies as to students and therefore are not qualified for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1954.

Sec. 2. Background. .01 A school that does not have a racially nondiscriminatory policy as to students does not qualify as an organization exempt from Federal income tax. Revenue Ruling 71-447, 1971-2 C.B. 230.

.02 Revenue Procedure 75-50, 1975-2 C.B. 587, sets forth certain affirmative record-keeping and publicity requirements along with other guidelines for determining whether schools have racially nondiscriminatory policies as to students.

.03 This revenue procedure sets forth more definitive guidelines to identify those schools that in fact operate on a discriminatory basis even though they may claim to have racially nondiscriminatory policies. This revenue procedure also sets forth the procedures by which the exemption of such schools will be revoked or denied.

.04 Generally, this revenue procedure applies to private elementary and secondary schools. In appropriate cases, however, such as where a private college or university is adjudicated to be discriminatory, the Service may apply the principles reflected in this revenue procedure to other types of schools. All schools exempt under section

501(c)(3) of the code continue to be governed by Revenue Procedure 75-50. This revenue procedure also applies to church-related and church-operated schools described in Revenue Ruling 75-231, 1975-1 C.B. 158.

.05 If there is any evidence that a school in fact has a racially discriminatory policy or practice the Service may find that the school is not entitled to exemption under Revenue Ruling 71-447, without regard to whether the school has complied with the guidelines set forth in this revenue procedure.

Sec. 3. Definitions. .01 A racially nondiscriminatory policy as to students means that: The school admits the students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in administration of its educational policies, admissions policies, scholarship and loan programs, and athletic and other school-administered programs. Revenue Ruling 71-447, 1971-2 C.B. at 230. The Service considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. Revenue Procedure 75-50.

.02 A school "adjudicated to be discriminatory" means any school found to be discriminatory by a final decision of a Federal or State court of competent jurisdiction; by final agency action of a Federal administrative agency in accordance with the procedures of the Administrative Procedure Act, 5 U.S.C. 551 et seq., or by final agency action of a State administrative agency following an adjudication in which the school was a party or otherwise had the opportunity for a hearing and an opportunity to submit evidence.

.03 "Reviewable school" means a school formed or substantially expanded at or about the time of public school desegregation in the community served by the school, and having a student body whose percentage of minority students is less than 20 percent of the percentage of the minority school age population in the community served by the school. For example, if 50 percent of the school age population in the community were minority, and the school enrolls 200 students, a school would not be "reviewable" if it had at least 20 minority students (20 percent \times 50 percent = 10 percent; 10 percent \times 200 students = 20 students). Generally, a school formed or substantially expanded during any calendar year falling within the period beginning 1 year before implementation of an initial public school desegregation plan in the community (whether a court-ordered or voluntary plan) and ending 3 years after final implementation of such desegregation plan (or modifications thereof) will be considered as formed or substantially expanded at or about the time of public school desegregation. The time of the initial and final implementation of a desegregation plan will be determined with reference to the effective dates specified by the terms of the applicable court order or voluntary plan. "Voluntary plan" includes, for example, a written desegregation plan entered into with the Department of Health, Education, and Welfare (HEW), or with a State agency. Whether a particular school will be considered substantially expanded is dependent upon all the facts and circumstances of such expansion including the percentage increase in the school's enrollment and the relationship

between the school's expansion and the public school desegregation plan. However, a school will not be considered to have substantially expanded during a particular calendar year if the increase in the maximum number of students enrolled at any time during that calendar year is less than 10 percent of the maximum number of students enrolled at any time during the immediately preceding calendar year, and if such increase is not attributable to the addition of a new grade or grades.

.04 "Other school" means a school neither "adjudicated to be discriminatory" nor "reviewable."

.05 "Minority" is defined as including the following separate categories: Blacks; Hispanics; Asians or Pacific Islanders; and American Indians or Alaskan Natives. These classifications are in accordance with guidelines of the Office of Management and Budget and the General Accounting Office, which are currently set forth at 41 FR 17601 (1976). With respect to schools "adjudicated to be discriminatory" and "reviewable schools," the relevant minority for purposes of computing the percentage of minority enrollment under this revenue procedure is the group or groups found to have been the object of discrimination in the court or agency adjudication, or in the school desegregation proceeding. For example, if both blacks and Hispanics have been found in a court or agency adjudication to have been the subject of discrimination, the appropriate percentage of minority students will be determined separately for blacks and for Hispanics.

.06 "Community" means the geographical area of the public school district within which the school is located, together with any other public school district from which the school enrolls at least 5 percent of its student body. Where a court desegregation order involves the mandatory assignment of students to or from either of such foregoing school districts, "community" includes the geographical area of all the districts, including those covered by the order, and the appropriate percentage of minority students will be determined with reference to all such districts. Where a number of schools in different locations are operated by the same organization, "community" will be defined separately for each school, and the appropriate percentage of minority students will be determined separately for each school. In determining minority school age population, the Service will rely generally on statistics compiled by the Department of Health, Education, and Welfare (HEW) on public school enrollment, unless the school can furnish acceptable statistics relating to its community showing both public and private school enrollment. The enrollment data used by HEW concerning the minority school age population of a public school district may be obtained from local school boards, which are required to maintain such information by HEW regulations.

Sec. 4. Guidelines. .01 Schools adjudicated to be discriminatory. A school adjudicated to be discriminatory will be considered by the Service to have a racially discriminatory policy as to students unless the school can demonstrate either:

1. Actual enrollment of minority students such that the percentage of minority students in the school is at least 20 percent of the percentage of the minority school age population in the community; or

2. Operation in good faith on a racially nondiscriminatory basis as evidenced by the existence of at least four of the five factors set forth in section 4.03, *infra*. Only in rare and unusual circumstances will a school be considered to be operated in good faith on a nondiscriminatory basis if the school does not enroll some minority students.

.02 "Reviewable schools." A prima facie case of racial discrimination by a school arises from evidence that the school (1) was formed or substantially expanded at or about the time of desegregation of public schools, and (2) has an insignificant number of minority students. In such a case, the school has the burden of clearly and convincingly rebutting this prima facie case of racial discrimination by showing that it has undertaken affirmative steps to secure minority students. Mere denial of a discriminatory purpose is insufficient. See *Norwood v. Harrison*, 382 F. Supp. 921 (N.D. Miss. 1974), on remand from the Supreme Court, 413 U.S. 455 (1973). See also *Green v. Connally*, 330 F. Supp. 1150 (D.D.C. 1971), *aff'd per curiam sub nom. Coit v. Green*, 404 U.S. 997 (1971). A "reviewable school" will be considered by the Service to have a racially discriminatory policy as to students until the school can demonstrate either:

1. Actual enrollment of minority students such that the percentage of minority students enrolled in the school is at least 20 percent of the percentage of the minority school age population in the community; or

2. Operation in good faith on a racially nondiscriminatory basis as evidenced by the existence of at least four of the five factors set forth in section 4.03, *infra*. Only in rare and unusual circumstances will a school be considered to be operated in good faith on a nondiscriminatory basis if the school does not enroll some minority students.

.03 Operation in good faith on a racially nondiscriminatory basis. The following five factors evidence operation in good faith on a nondiscriminatory basis:

1. Availability of and granting of scholarships or other financial assistance on a significant basis to minority students.

2. Active and vigorous minority recruitment programs, such as contacting prospective minority students and organizations from which prospective minority students could be identified.

3. An increasing percentage of minority student enrollment.

4. Employment of minority teachers or professional staff.

5. Other substantial evidence of good faith, including evidence of a combination of lesser activities, such as:

(a) Continued and meaningful advertising programs beyond the requirements of Revenue Procedure 75-50, or contacts with minority leaders inviting applications from minority students.

(b) Significant efforts to recruit minority teachers.

(c) Participation with integrated schools in sports, music and other events or activities.

(d) Making school facilities available to outside, integrated civic or charitable groups.

(e) Special minority-oriented curriculum or orientation programs.

(f) Minority participation in the founding of the school or current minority board members.

Sec. 5. Schools currently recognized as tax exempt. .01 Schools adjudicated to be dis-

crimatory and "reviewable schools." For schools adjudicated to be discriminatory and "reviewable school," the Service will propose revocation of exemption in accordance with existing Service procedures. In addition, the Service will propose suspension of advance assurance of deductibility of contributions in accordance with the procedures set forth in Revenue Procedure 72-39, 1972-2 C.B. 818. Under these procedures, a school can protest and administratively appeal this proposed action. During these procedures, if the school can show it meets the guidelines of section 4.01 or 4.02, *supra*, as relevant, the proposed revocation will be withdrawn, and suspension of advance assurance will be withdrawn.

.02 Tax deductibility of contribution. Generally, pursuant to section 3 of Revenue Procedure 72-39, the Service will allow a tax deduction for contributions made by persons unaware of the revocation of a school's exemption if such contributions are made on or before the date of publication of the Internal Revenue bulletin announcing that contributions to the school are no longer deductible. Revenue Procedure 72-39 also provides, however, that the Service may disallow a tax deduction for any contribution made before such date if the contributor (1) had knowledge of the revocation of the ruling or determination letter, (2) was aware that such revocation was imminent, or (3) was in part responsible for, or was aware of, the school's racially discriminatory policy.

.03 Grace period. During such revocation procedures, if a school is able to show substantial and good faith progress in meeting the applicable guidelines of section 4.01 or 4.02, as relevant, a grace period may be allowed if the school agrees to meet the guidelines within some reasonable period, and also agrees not to institute a declaratory judgment action under section 7428 of the code during such period. A grace period will not normally exceed 2 school years. The school will report its progress in meeting the guidelines to the Service during such grace period at such times and in such manner as the Service may require. During a grace period, the proposed revocation and suspension of advance assurance of deductibility of contributions will remain outstanding, and although exemption will continue in effect, contributors will not have advance assurance of deductibility of contributions. If the school meets the guidelines before the end of the grace period, the Service will withdraw the proposed revocation of exemption and rescind suspension of advance assurance. If the school fails to meet the guidelines by the end of the grace period, exemption will be revoked retroactively and contributions will not be deductible as of the date of suspension of advance assurance. The school may then seek declaratory judgment relief under section 7428.

.04 Other schools. In the case of an "other school" having insubstantial minority enrollment, the Service will closely scrutinize the policies and activities of the school upon examination, and the school must show that the insubstantial minority enrollment does not result from discrimination in its admissions policies and practices. If warranted by the facts and circumstances, these schools may be subject to procedures similar to those for "reviewable schools" under section 4.02, *supra*.

Sec. 6. Applications for tax-exempt status. .01 Schools adjudicated to be discriminatory. An adverse ruling or determination will

be issued to a school adjudicated to be discriminatory unless it shows it meets the guidelines of section 4.01, *supra*. If during the Service's consideration of the school's application the school brings itself into compliance with the guidelines of section 4.01, a favorable ruling or determination will be issued.

.02 "Reviewable schools." An adverse ruling or determination will be issued to a "reviewable school" unless it shows it meets the guidelines of section 4.02, *supra*. If during the Service's consideration of the school's application the school brings itself into compliance with the guidelines of section 4.02, a favorable ruling or determination will be issued. Ordinarily, favorable rulings or determinations will not be issued to a newly created school with no record of operation formed at or about the time of public school desegregation in the community. Favorable rulings or determinations may be issued to newly created schools if, after some reasonable period of operation, they meet the guidelines of section 4.02.

.03 Other schools. Applications for recognition of exemption by "other schools" may be processed under procedures similar to those for a "reviewable school" under section 6.02, *supra*, if warranted by the facts and circumstances.

.04 General guidelines. Applications for tax-exempt status submitted by all schools will be processed in accordance with the procedures set forth in Revenue Procedure 72-4, 1972-1 C.B. 706, superseded in part by Revenue Procedure 76-33, 1976-2 C.B. 655. Where the key District Director issues an adverse determination, the school will be advised of its right to protest the determination. Where the national office issues an adverse ruling, the school will be afforded its protest and conference rights in the national office. After exhausting its administrative remedies, the school may seek declaratory judgment relief under section 7428 of the code.

Sec. 7. Effective date. This revenue procedure will be effective on final publication. When effective, this revenue procedure will be applied by the Service to schools whose examinations are pending or are subsequently initiated. This revenue procedure will also be applied to schools whose applications for exemption are either under consideration or are subsequently filed.

Sec. 8. Effect on other documents. Revenue Procedure 75-50 is amplified.

[FR Doc. 78-23515 Filed 8-21-78; 8:45 am]

[4510-29]

[4830-01]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

DEPARTMENT OF LABOR

Pension and Welfare Benefit Programs

[Prohibited Transaction Exemption 78-12]

AMERICAN MEDICAL ASSOCIATION MEMBERS' RETIREMENT PLAN

Exemption From the Prohibitions Respecting a Transaction

AGENCIES: Department of the Treasury/Internal Revenue Service, Department of Labor.