case. To the extent the court's directive and time limitations permit, such orders shall conform to these rules.

(gg) *Rule 33; time, computation, and extensions.* (1) Where possible, procedural actions should be taken in less time than the maximum time allowed. Where appropriate and justified, however, extensions of time will be granted. All requests for extensions of time shall be in writing.

(2) In computing any period of time, the day of the event from which the designated period of time begins to run shall not be included, but the last day of the period shall be included unless it is a Saturday, Sunday, or a legal holiday, in which event the period shall run to the end of the next business day.

(hh) *Rule 34; ex parte communications.* No member of the Board or of the Board's staff shall entertain, nor shall any person directly or indirectly involved in an appeal submit to the Board or the Board's staff, off the record, any evidence, explanation, analysis, or advice, whether written or oral, regarding any matter at issue in an appeal. This provision does not apply to consultation among Board members nor to ex parte communications concerning the Board's administrative functions or procedures.

(ii) *Rule 35; sanctions.* If any party fails or refuses to obey an order issued by the Board, the Board may make such order as it considers necessary to the just and expeditious conduct of the appeal.

(jj) *Rule 36; effective date and applicability.* These rules shall apply (1) mandatorily, to all appeals relating to contracts entered into on or after March 1, 1979, and (2) at the contractor's election, to appeals relating to earlier contracts, with respect to claims pending before the contracting officer on March 1, 1979 or initiated thereafter.

[FR Doc. 82-7780 Filed 3-22-82; 8:45 am]

BILLING CODE 8320-01-M

38 CFR Part 36

Loan Guaranty for Mobile Homes; Increase in the Maximum Terms

AGENCY: Veterans Administration.

ACTION: Final regulation.

SUMMARY: The VA (Veterans Administration) is amending its regulations to lengthen the maximum terms allowed for guaranteed loans on mobile home purchases as provided by the Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981.

EFFECTIVE DATE: October 17, 1981.

FOR FURTHER INFORMATION CONTACT: Mr. George D. Moerman, Loan Guaranty Service (264), Department of Veterans Benefits, Veterans Administration, 810 Vermont Avenue NW., Washington, D.C. 20420, 202-389-3042.

SUPPLEMENTARY INFORMATION: Section 503 of the Veterans' Disability Compensation, Housing, and Memorial Benefits Amendments of 1981 (Pub. L. 97-66, 95 Stat. 1026) increases the maximum allowable loan terms for various VA guaranteed mobile home loans. The maximum loan term for the purchase of a single-wide mobile home or a single-wide mobile home and a lot is increased from 15 years and 32 days to 20 years and 32 days. The loan term for the purchase of a double-wide mobile home is increased from 20 years and 32 days to 23 years and 32 days. Finally, the maximum loan term for the purchase of a double-wide mobile home and a lot is increased from 20 years and 32 days to 25 years and 32 days. No change is made in the maximum loan term of 15 years and 32 days for the purchase of a lot on which to place a veteran's previously acquired mobile home.

These statutory changes should assist veterans wishing to purchase a mobile home or a mobile home and a lot by lengthening maximum loan terms which thereby will lower the veteran's monthly payments. They should also assist in the "pooling" of VA mobile home loans in the secondary market since VA maximum loan terms for the acquisition of a mobile home or a mobile home and a lot are now identical with loans of the same type insured by the Department of Housing and Urban Development.

This amendment is within the exceptions to the general Veterans Administration policy of prior publication of proposed rules, as contained in 38 CFR 1.12. The changes are those required by statute, Pub. L. 97-66. Therefore, the VA finds that publication for advance notice and comment is unnecessary, would serve little purpose, and would not be in the public interest. Since a proposed notice will not be published, the amendment is not subject to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601-612.

This regulation has been reviewed under Executive Order 12291, entitled Federal Regulation. This regulation is not considered major as defined in that Executive Order. It is designed to assure that the Veterans Administration field offices comply with the new statutory provisions for the allowable maximum terms for guaranteed mobile home loans. It will not impact on the public or private sectors as a major rule. It will not have an annual effect on the economy of 100 million or more dollars, cause a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies, or have significant adverse effects on competition, employment, investment productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-based enterprises in domestic or export markets.

The official program number and title of the VA program affected by this action as set forth in OMB Circular A-89, Catalog of Federal Domestic Assistance, is 64.119, Veterans Housing—Mobile Home Loans.

This amendment is adopted under authority granted to the Administrator by sections 210(c) and 1819 (d) and (g) of title 38, United States Code.

Approved: March 3, 1982.

Robert P. Nimmo,

Administrator.

PART 36—LOAN GUARANTY

The Veterans Administration is amending 38 CFR Part 36 as follows:

In § 36.4204, paragraph (c) is revised to read as follows:

§ 36.4204 Loan purposes, maximum loan amounts and terms.

* * * * *

(c) The maximum permissible loan terms shall not exceed:

(1) 20 years and 32 days in the case of a loan to purchase a single-wide mobile home or a single-wide mobile home and lot;

(2) 15 years and 32 days in the case of a loan to purchase a lot on which to place a mobile home already owned by the veteran;

(3) 23 years and 32 days in the case of a loan to purchase a double-wide mobile home, or 25 years and 32 days in the case of a loan to purchase a double-wide mobile home and lot; or

(4) In the case of a used mobile home the maximum term set forth in paragraph (c) (1) or (3) of this section or the remaining physical life expectancy of the unit as established by the Administrator, whichever is less. (38 U.S.C. 1819(a) (1) and (2), (d)(1), (e)(4)(B)).

* * * * *

[FR Doc. 82-7779 Filed 3-22-82; 8:45 am]

BILLING CODE 8320-01-M

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 123

[SW-6-FRL-2069-2]

Texas; Phase II, Components A and B, Interim Authorization of State Hazardous Waste Management Program

AGENCY: Environmental Protection Agency.

ACTION: Approval of State program.

SUMMARY: The purpose of this notice is to grant Phase II Interim Authorization for Components A and B to the State of Texas for its hazardous waste management program.

EFFECTIVE DATE: March 23, 1982.

FOR FURTHER INFORMATION CONTACT: H. J. Parr, Hazardous Materials Branch, U.S.E.P.A., Region 6, 1201 Elm Street, Dallas, Texas 75270, (214) 767-2645.

SUPPLEMENTARY INFORMATION: In the May 19, 1980 **Federal Register** (45 FR 33063), the Environmental Protection Agency promulgated regulations, pursuant to Subtitle C of the Resource Conservation and Recovery Act of 1976 (as amended), to protect human health and the environment from the improper management of hazardous waste. Included in these regulations, which became effective 6 months from the date of promulgation, were provisions for a transitional stage in which states would be granted interim program authorization. The interim authorization program will be implemented in two phases corresponding to the two stages in which an underlying Federal program will take effect.

The State of Texas received Interim Authorization for Phase I on December 24, 1980.

In the January 26, 1981 **Federal Register** (46 FR 7965), the Environmental Protection Agency announced the availability of portions of the second phase of Interim Authorization. EPA's decision to make the second phase of Interim Authorization available in components was based on the desire to proceed with authorizing State programs as expeditiously as possible and because some of the subparts of the federal regulations containing standards for hazardous waste treatment, storage and disposal facilities (40 CFR Part 264) are to be promulgated at different times rather than in one single promulgation as previously anticipated.

On November 13, 1981, EPA published a notice in the **Federal Register** inviting the public to offer comments on the Texas Application for Interim Authorization Phase II, Components A and B of its Hazardous Waste Management Program at a public hearing to be conducted by Region 6 on December 21, 1981. This notice also invited the public to submit written comments on the Texas application to Region 6 by the close of the public hearing.

On January 25, 1982 EPA announced in the **Federal Register** an extension of the public comment period of the Texas Phase II application until February 24, 1982. The 30 day extension was made because substantial revisions and an addition were made to the Texas application subsequent to the notice in the **Federal Register** of November 13, 1981. The revisions were made to the Memorandum of Agreement (MOA) between the State and EPA and the addition was a Memorandum of Understanding (MOU) entered into among the Texas Department of Health (TDH), the Texas Department of Water Resources (TDWR), and the Texas Railroad Commission (TRC). The revisions to the MOA made procedural changes in the Texas Phase II application. The MOU which was executed after the application was submitted, became effective on January 1, 1982, and clarifies the divisions of responsibility among TDH, TDWR, TRC with respect to oil and gas related wastes.

Discussion

Texas, long in the vanguard of states which recognized the need for hazardous waste management, was also among the first group of states authorized to operate Phase I of the RCRA program on December 24, 1980. On May 11, 1981, the State of Texas submitted to me the first draft application for Interim Authorization for Phase II, Components A and B of the RCRA program. Included with its Phase II application Texas requested authorization to operate the temporary federal permit program for new land disposal facilities promulgated on February 13, 1981 in 40 CFR Part 267. EPA policy, explained in the preamble to 40 CFR Part 267, was not in favor of authorizing State programs to operate this temporary portion of the RCRA permit program. EPA has considered the Texas request, which has been joined in by a number of other states, and has decided not to change this policy at this time, but instead will expedite the publication of final land disposal regulations which will be available for state authorization.

During our review of the Texas draft application, which included a complete submission by the two state agencies with jurisdiction in hazardous waste management, the Texas Department of Water Resources (TDWR) and the Texas Department of Health (TDH), we realized that the nature of the problems identified in the Texas program resulted from the fact that it predated the RCRA regulatory scheme for hazardous waste management and represented a different approach to the administration of a permit program from that established by EPA in the RCRA Phase II permitting program. I wish to commend the State of Texas for the enormous effort expended in its final application which resulted in the reshaping of its program into one which meets federal statutory requirements and is substantially equivalent to the federal program.

In our comments on the Texas draft application, we identified major problem areas which had to be addressed in the State's final application for Phase II, Components A and B. These major problems involved two important parts of the Texas application: the Memorandum of Agreement (MOA) between the State and the Regional Office, and State permitting procedures. The MOA did not address procedures for program reporting, permit processing and responsibilities for permit enforcement. The state agencies' permitting procedures did not provide, in the manner required by RCRA section 7004(b)(2), for hearing notices, opportunity to request hearings, or opportunity to participate in hearings. In addition, the TDH did not provide that a draft permit and fact sheet could be available prior to the permit hearing. TDWR did not provide for response to comments of persons not parties to the permit hearings. Both TDH and TDWR had standing requirements which might operate to restrict persons, not party to a permit hearing, from participation in the hearing. In summary, the Texas permit process was a more formal adjudicatory process than that of the federal program and did not appear to meet many of the federal requirements for public participation in the permit issuance process.

Texas submitted its final application on October 26, 1981. Problems identified with the MOA were completely remedied in the MOA submitted with the State's final application. The revised MOA contained terms and conditions which defined the State and EPA's responsibilities for reporting, permit issuance and permit enforcement.

The final application submitted by Texas addressed many, but not all, of the issues concerning permitting procedures. The Program Description and Attorney General's Statement clarified that State administrative procedures are interpreted to provide that any person who is or may be affected by a proposed permit may request a hearing. This is in agreement with EPA's interpretation of the provision in RCRA § 7004(b)(2) which establishes the circumstances under which a hearing on a proposed permit must be held. The Attorney General's statement also demonstrated that Texas rules permit any person, including those who are not parties, to comment at a hearing on a proposed permit.

While most of the notice requirements established by RCRA section 7004(b)(2) to inform the public and local and state government of proposed permits were met by TDH and TDWR in the State's final application, TDWR did not require the radio broadcasting of proposed permit notices as required by RCRA. In addition, the TDH permitting program did not provide for a document meeting the requirements of a draft permit to be available and noticed to the public. The TDWR permit procedures included a provision allowing for comment on a proposed permit but did not require any response to significant comments by persons not made parties to the hearing.

Prior to the public hearing which EPA held on the Texas Phase II application both TDWR and TDH submitted amendments to the MOA which resolved outstanding issues concerning the Texas permit procedures. TDWR submitted an amendment providing assurance that notice of proposed permits and hearings on proposed permits will be announced on local radio stations according to the mandate of RCRA section 7004(b)(2). The TDH submitted an amendment to the MOA which provided assurance that that agency would prepare, notice and provide to the public a document corresponding to a draft permit and fact sheet prior to a hearing on the proposed permit in accordance with all of the requirements of 40 CFR 124.6, 124.8 and 124.10. These amendments insured that the State permit procedures met virtually all of the federal requirements for public participation in the permit process. The only issue outstanding after these revisions to the MOA concerned the lack of response by TDWR to persons, not parties to their permit hearings, who make substantial comments. EPA regulations, at 40 CFR 124.17(a), require response to substantial comments at the time the permit decision is made. TDWR has provided assurances in a letter of clarification to EPA on January 29, 1982, that the program will respond to all substantial comments in the same manner and under the same certification of authority in RCRA as that provided to EPA to meet the same requirement in its application for primacy in the Underground Injection Control Program. While the Texas permitting procedures are not identical to EPA's, the differences reflect state administrative and permitting processes which predate EPA's, and which are upon close scrutiny substantially equivalent to EPA requirements.

The amendments to the Texas MOA were introduced into the record at the hearing on the Texas Application on December 21, 1981. At that time EPA announced that it would extend the public comment period to allow comments on amendments and an addition to the MOA. These were: (1) Permit procedures amendments, (2) an amendment to the MOA which provided for the voluntary suspension of any portion of State authorization in the event that any portion of the federal permit program is suspended pursuant to the policy of the Administrator announced in the **Federal Register** on February 24, 1982 (47 *FR* 8010), and (3) a Memorandum of Understanding between TDH, TDWR and the Texas Railroad Commission, executed after the submission of the final application, which outlined each State Agency's jurisdiction over oil and gas wastes.

The extended public comment period was noticed on January 25, 1982 in the **Federal Register** (47 FR 3378) ended on February 24, 1982. After careful review of the application, the additional revisions and clarifications and all comments, written and oral, I find that the vast majority of comments support authorization of the Texas Application. There is substantial support for the procedural amendments which Texas has offered to meet federal permit procedure requirements and no significant opposition to these or other issues presented in the Texas Application.

EPA has proposed to temporarily suspend the regulations for existing storage surface impoundments and existing incinerators pending EPA review of their cost effectiveness. Pending a final decision, EPA has tentatively decided to authorize states to permit all facilities covered by components A and B. See 47 *FR* 8010. If EPA does suspend the regulations for these facilities, the State's ability to issue State RCRA permits for these facilities (existing storage surface impoundments and existing incinerators) will automatically be suspended.

I conclude that the Texas Application for Interim Authorization to operate the RCRA Phase II, Components A and B program meets all of the statutory and regulatory requirements and as such I approve this authorization.

Responsiveness Summary

The public hearing on the Texas application for Phase II authorization was held by Region 6 on the evening of December 21, 1981, in Austin, Texas. Seven presentations were made. In addition, Region 6 received eighteen written comments on the Texas application by the close of the public hearing. Five of the eighteen comments were submitted as supplements to comments presented at the public hearing. Region 6 received one written comment during the extended 30-day comment period which closed on February 24, 1982. All comments, if they complied with the time constraints of the **Federal Register** notices, whether presented at the hearing or in writing, were reviewed in reaching a decision on the Texas application for Phase II Interim Authorization, Components A and B.

Of the twenty-one public comments received by Region 6 (seven at the hearing and fourteen in writing) on the Texas application, fourteen comments favored granting the State Phase II authorization for Components A and B without restrictions. One commenter favored granting authorization only as it applies to new facilities (those facilities not included in the proposed suspension discussed in the October 20, 1981 **Federal Register**). One commenter favored granting the State conditional approval of Phase II, Components A and B if EPA would the require time schedules to correct any possible deficiencies. Copies of the complete Responsiveness Summary including detailed descriptions of each comment and a full discussion of each response can be obtained free of charge by contacting the person listed above.

(Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act of 1976 and the Solid Waste Disposal Act Amendments of 1980. 42 U.S.C. 6901 *et seq.*)

Dated: February 25, 1982.

Frances E. Phillips,

Acting Regional Administrator.

Certification: Texas Application for Interim Authorization, Under the Regulatory Flexibility Act

Pursuant to the provisions of 5 U.S.C. 605(b), I hereby certify that this authorization will not have a significant economic impact on a substantial number of small entities. The authorization suspends the applicability of certain Federal regulations in favor of the State program, thereby eliminating duplicative requirements for handlers of hazardous wastes in the State. It does not impose any new burdens on small entities. This rule, therefore, does not require a regulatory flexibility analysis.

Dated: March 13, 1982.

Anne M. Gorsuch,

Administrator.

[FR Doc. 82-7673 Filed 3-22-82; 8:45 am]

BILLING CODE 6560-38-M

INTERSTATE COMMERCE COMMISSION

49 CFR Part 1065

[Ex Parte No. 55 (Sub-No. 49)]

Deletion of Gateway Elimination Rules

AGENCY: Interstate Commerce Commission.

ACTION: Removal of final rules.

SUMMARY: The Commission is removing rules adopted in 1974 which established procedures for eliminating gateways for irregular-route motor carriers of property. Since it appears that there are no authorities remaining which timely meet the filing requirements, and since later Commission policy has eliminated remaining gateway restrictions and circuitous route limitations, the rules have no further applicability.

EFFECTIVE DATE: April 22, 1982.

FOR FURTHER INFORMATION: Mary Kelly, 202-275-7292.

SUPPLEMENTARY INFORMATION: The Commission adopted rules which established procedures for the elimination of gateways in Ex Parte No. 55 (Sub-No. 8), *Gateway Elimination,* 119 M.C.C. 530 (1974), 39 FR 7794 (1974), amended at 39 FR 17444 (1974). Qualifying for these procedures were certificates issued to carriers pursuant to an application pending before the Commission on or before November 23, 1973. It appears that there are no authorities remaining which timely meet the filing requirements of 49 CFR 1065. We note that remaining gateway restrictions and circuitous route limitations were eliminated in Ex Parte No. MC-142, *Elimination of Gateway Restrictions and Circuitous Route Limitations,* 45 FR 86741, December 31, 1980, pursuant to section 6 of the Motor Carrier Act of 1980, Pub. L. No. 96-296, and 49 CFR 1042 was amended to reflect the permissible scope of service under tacked authorities.

Removal of this Part will have no effect on gateway eliminations involved in consolidation, merger and control proceedings. We will continue to decide gateway elimination applications which are directly related to acquisition proceedings filed under 49 U.S.C. 11343 and 11344 pursuant to our policy set forth at 39 FR 42958 (1974), as modified by case law.

Removal of this Part will have no legal effect on any person. Notice and comment, therefore, are unnecessary, and are not required under the Administrative Procedure Act. We are merely deleting a rule that has no further use or effect.

This action will have no effect on the human environment or conservation of energy resources. We are not required to make a regulatory flexibility analysis of this action since prior notice and comment are not mandated by 5 U.S.C. 553. However, this action will have no adverse effect on small entities since it merely removes a rule that has ceased to have purpose.

PART 1065—[REMOVED]

It is ordered:

Part 1065 of Title 49, Code of Federal Regulations, is removed.

(49 U.S.C. 10321, 5 U.S.C. 553)

Decided: March 16, 1982.

By the Commission, Chairman Taylor, Vice Chairman Gilliam, Commissioners Gresham, Clapp, and Sterrett.

Agatha L. Mergenovich,

Secretary.

[FR Doc. 82-7781 Filed 3-22-82; 8:45 am]

BILLING CODE 7035-01-M

49 CFR Parts 1201, 1206, and 1207

[No. 38685]

Financial Statement Classification of Deferred Income Taxes

AGENCY: Interstate Commerce Commission.

ACTION: Final rule.

SUMMARY: This rule revises the Uniform Systems of Accounts for railroads and motor carriers of passengers and property, as it relates to the financial statement classification of deferred income taxes. This rule was prompted by the issuance of Financial Accounting Standard No. 37, "Balance Sheet Classification of Deferred Income Taxes." The objective is to adopt a generally accepted accounting principle (GAAP) applicable to this regulated industry, thereby keeping our accounting systems in alignment with GAAP. Accounting Series Circular No. 183 initiated this abridged rulemaking proceeding, pursuant to 49 CFR 1200.2.

DATES: Comments are due 45 days after March 23, 1982.

Effective for reporting years beginning after December 24, 1980.

ADDRESS: Send comments, and 10 copies, to: Office of the Secretary, Interstate Commerce Commission, Washington, D.C. 20423.

FOR FURTHER INFORMATION CONTACT: Bryan Brown, Jr., (202) 275-7448.

SUPPLEMENTARY INFORMATION: On September 12, 1980, the Commission's Bureau of Accounts issued Accounting Series Circular No. 183 (ASC), "Balance Sheet Classification of Deferred Income Taxes", which stated that the provisions of Financial Accounting Standard No. 37 (FAS No. 37) of the same title would be adopted. FAS No. 37 was issued by the Financial Accounting Standards Board in July 1980, and set forth new criteria for classifying deferred income taxes in a balance sheet. The objective of this rule is to adopt these provisions, thereby maintaining our accounting systems and reports in accordance with generally accepted accounting principles (GAAP).

FAS No. 37 provides that a deferred charge or credit that is related to an asset or liability shall be classified as current or noncurrent based on the classification of the related asset or liability. A deferred charge or credit that is not related to an asset or liability because (a) there is no associated asset or liability or (b) reduction of an associated asset or liability will not cause the timing difference to reverse shall be classified based on the expected reversal date of the specific timing difference.

The Uniform Systems of Accounts (USOAs) and carrier annual reports already provide for a classification of deferred income taxes on a current and noncurrent basis. However, the texts of the deferred income tax accounts in the USOAs are hereby revised to include the classification criteria specified in FAS No. 37 (See Appendices A, B, and C). Certain editorial revisions will also be made to carrier annual reports.

Under the abridged rulemaking procedures set forth in 49 CFR 1200.2, carriers were allowed 45 days to comment on the provisions contained in the ASC. No responses were received during this period, which implies general acceptance.

This rule shall be effective for reporting years beginning after December 24, 1980.

We therefore adopt the amendments set forth in the appendices to this notice.

This action does not appear to affect significantly the quality of the human environment or the conservation of energy resources.

Regulatory Flexibility Act

Pursuant to 5 U.S.C. 605(b), the Chairman of the Commission has certified that the requirements of the Regulatory Flexibility Act do not apply because this Final Rule, if promulgated, will not have a significant economic impact upon a substantial number of small entities. This rule requires only an accounting classification change of information already captured. It will also enable carriers to use the generally accepted accounting principle required for other businesses around the country. The cost and time related to this accounting change are very minimal.

(49 U.S.C. 10321 and 11145 and 5 U.S.C. 553)

Decided: March 16, 1982.

By the Commission, Chairman Taylor, Vice Chairman Gilliam, Commissioners Gresham, Clapp, and Sterrett.

Agatha L. Mergenovich,

Secretary.

Appendix A

PART 1201—RAILROAD COMPANIES

Subpart A—Uniform System of Accounts

1. Revise 49 CFR Part 1201 Instruction 1–10, "Accounting for income taxes", paragraph (b), to read as follows:

1–10 Accounting for income taxes.

* * * * *

(b) Under the interperiod tax allocation method of accounting the tax effect of timing differences (see definition 20) originating in the current accounting period are allocated to income tax expense of future periods when the timing differences reverse. Similar timing differences originating and reversing in the current accounting period should be combined into groups and the current tax rates applied to determine the tax effect of each group. A carrier shall not apply other than current tax rates in determining the tax effect of reversing differences except upon approval of the Commission. When determining the amount of deferred taxes, rather than computing state and other taxes individually by jurisdiction, the Federal income tax rate may be increased by a percent equivalent to the effect of taxes imposed by the jurisdictions. In classifying a deferred charge or credit as current or noncurrent a carrier shall follow the classification criteria used for the related asset or liability which caused the timing difference. A deferred charge or credit that is not related to an asset or liability because (a) there is no associated asset or liability or (b) reduction of an associated asset or liability will not cause the timing difference to reverse shall be classified based on the expected reversal date of the specific timing difference. Such classification disregards any additional timing differences that may arise and is based on the criteria used for classifying other assets and liabilities.

* * * * *

2. Revise the text of account 714, "Deferred income tax debits," as follows:

714 Deferred income tax debits.

This account shall include the current portion of deferred income tax debits and credits determined in accordance with Instruction 1–10, when the balance is a net debit. A net credit balance shall be included in account 762, "Deferred income tax credits".

3. Revise the text of account 744, "Accumulated deferred income tax debits", as follows:

744 Accumulated deferred income tax debits.

This account shall include the amount of deferred noncurrent income tax debits and credits determined in accordance with Instruction 1–10 when the balance is a net debit. A net credit balance shall be included in account 786, "Accumulated deferred income tax credits".

4. Revise the text of account 762, "Deferred income tax credits," as follows:

762 Deferred income tax credits.

This account shall include the current portion of deferred income tax charges and credits determined in accordance with Instruction 1–10 when the balance is a net credit. A net debit balance shall be included in account 714, "Deferred income tax debits".

5. Revise the text of account 786, "Accumulated deferred income tax credits," as follows:

786 Accumulated deferred income tax credits.

(a) This account shall be credited with the noncurrent portions of deferred income tax debits and credits when the balance is a net credit, as determined by Instruction 1–10. A net debit balance shall be included in account 744, "Accumulated deferred income tax debits".

(b) This account shall be credited with the amount of investment tax credits utilized in the current year for income tax purposes but deferred for accounting purposes (see Instruction 1–10).

(c) This account shall be concurrently debited with amounts credited to account 557, "Provision for deferred taxes," representing amortization of amounts for investment tax credits deferred in prior accounting periods.

(d) This account shall be maintained in such a manner as to show separately: (1) the unamortized balance of deferred income taxes and deferred investment tax credit separately as of the beginning and as of the end of each year (2) the entries that affected the account balance, and (3) the current year's net credits or charges applicable to timing differences and deferred investment tax credits.

Note A.—For definitions of income tax terminology see Definition 20. Account 557, "Provision for deferred taxes", and account 591, "Provision for deferred taxes—Extraordinary item," shall concurrently be charged (credited) with the net effect of material timing effects. Other related deferred income tax balance sheet accounts are:

Account 714, "Deferred income tax debit."
Account 744, "Accumulated deferred income tax debits."
Account 762, "Deferred income tax credits."

Appendix B

PART 1206—COMMON AND CONTRACT MOTOR CARRIERS OF PASSENGERS

1. Revise 49 CFR Part 1206 Instruction 2–32, "Accounting for income taxes," paragraph (b), to read as follows:

2–32 Accounting for income taxes.

* * * * *

(b) Under the interperiod tax allocation method of accounting the tax effect of timing differences (see definition 1–41) originating in the current accounting period are allocated to income tax expense of future periods when the timing differences reverse. Similar timing differences originating and reversing in the current accounting period should be combined into groups and the current tax rates applied to determine the tax effect of each group. A carrier shall not apply other than current tax rates in determining the tax effect of reversing differences except upon approval of the Commission. When determining the amount of deferred taxes, rather than computing state and other taxes individually by jurisdiction, the Federal income tax rate may be increased by a percent equivalent to the effect of taxes imposed by the jurisdictions. In classifying a deferred charge or credit as current or noncurrent a carrier shall follow the classification criteria used for the related asset or liability which caused the timing difference. A deferred charge or credit that is not related to an asset or liability because (a) there is no associated asset or liability or (b) reduction of an associated asset or liability will not cause the timing difference to reverse shall be classified based on the expected reversal date of the specific timing difference. Such classification disregards any additional timing differences that may arise and is based on the criteria used for classifying other assets and liabilities.

* * * * *

2. Revise the heading and text of account 1195, "Deferred income tax charges", as follows:

1195 Deferred income tax debits.

This account shall include the current portion of deferred income tax debits and credits determined in accordance with Instruction 2-32, when the balance is a net debit. A net credit balance shall be included in account 2185, "Deferred income tax credits".

3. Revise the heading and text of account 1895, "Accumulated deferred income tax charges", as follows:

1895 Accumulated deferred income tax debits.

This account shall include the noncurrent amount of deferred income tax debits and credits determined in accordance with Instruction 2-32, when the balance is a net debit. A net credit balance shall be included in account 2460, "Accumulated deferred income tax credits".

4. Revise the text of account 2185, "Deferred income tax credits", as follows:

2185 Deferred income tax credits.

This account shall include the current portion of deferred income tax charges and credits determined in accordance with Instruction 2-32 when the balance is a net credit. A net debit balance shall be included in account 1195, "Deferred income tax debits".

5. Revise the text of account 2460, "Accumulated deferred income tax credits", as follows:

2640 Accumulated deferred income tax credits.

(a) This account shall be credited with the noncurrent portions of deferred income tax debits and credits when the balance is a net credit, as determined by Instruction 2-32. A net debit balance shall be included in account 1895, "Accumulated deferred income tax debits".

(b) This account shall be credited with the amount of investment tax credits utilized in the current year for income tax purposes but deferred for accounting purposes (see Instruction 2-32).

(c) This account shall be concurrently debited with amounts credited to account 3040. "Provision for deferred taxes," representing amortization of amounts for investment tax credits deferred in prior accounting periods.

(d) This account shall be maintained in such a manner as to show separately:

(1) the unamortized balance of deferred income taxes and deferred investment tax credits separately as of the beginning and as of the end of each year, (2) entries which affected the account balance, and (3) the current year's net credits or charges applicable to timing differences and deferred investment tax credits.

Note A.—For definitions of income tax terminology see Definition 1-41. Account 8040, "Provision for deferred taxes", and account 9060, "Provision for deferred taxes—extraordinary items" shall concurrently be charged (credited) with the net effect of material timing effects. Other related deferred income tax balance sheet accounts are:

Account 1195, "Deferred income tax debits."
Account 1895, "Accumulated deferred income tax debits."
Account 2185, "Deferred income tax credits."

Appendix C

PART 1207—CLASS I AND CLASS II COMMON AND CONTRACT MOTOR CARRIERS OF PROPERTY

1. Revise 49 CFR Part 1207 Instruction 31, "Accounting for income taxes", paragraph (b), to read as follows:

31 Accounting for income taxes.

* * * * *

(b) Under the interperiod tax allocation method of accounting the tax effect of timing differences (see definition 39) originating in the current accounting period are allocated to income tax expense of future periods when the timing differences reverse. Similar timing differences originating and reversing in the current accounting period should be combined into groups and the current tax rates applied to determine the tax effect of each group. A carrier shall not apply other than current tax rates in determining the tax effect of reversing differences except upon approval of the Commission. When determining the amount of deferred taxes, rather than computing state and other taxes individually by jurisdiction, the Federal income tax rate may be increased by a percent equivalent to the effect of taxes imposed by the jurisdiction. In classifying a deferred charge or credit as current or noncurrent a carrier shall follow the classification criteria used for the related asset or liability which caused the timing difference. A deferred charge or credit that is not related to an asset or liability because (a) there is no associated asset or liability or (b) reduction of an associated asset or liability will not cause the timing difference to reverse shall be classified based on the expected reversal data of the specific timing difference. Such classification disregards any additional timing differences that may arise and is based on the criteria used for classifying other assets and liabilities.

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2. Revise the heading and text of account 1170, "Deferred income tax charges," as follows:

1170 Deferred income tax debits (Classes I and II).

This account shall include the current portion of deferred income tax debits and credits determined in accordance with Instruction 31 when the balance is a net debit. A net credit balance shall be included in account 2190, "Deferred income tax credits.

3. Revise the heading and text of account 1520, "Accumulated deferred income tax charges," as follows:

1520 Accumulated deferred income tax debits (Classes I and II).

This account shall include the noncurrent amount of income tax debits and credits determined in accordance with Instruction 31 when the balance is a net debit. A net credit balance shall be included in account 2420, "Accumulated deferred income tax credits".

4. Revise the text of account 2190, "Deferred income tax credits", as follows:

2190 Deferred income tax credits (Classes I and II).

This account shall include the current portion of deferred income tax charges and credits determined in accordance with Instruction 31 when the balance is a net credit. A net debit balance shall be included in account 1170, "Deferred income tax debits".

5. Revise the text of account 2420, "Accumulated deferred income tax credits", as follows:

2420 Accumulated deferred income tax credits (Classes I and II).

(a) This account shall be credited with the noncurrent portions of deferred income tax debits and credits when the balance is a net credit, as determined by Instruction 31. A net debit balance shall be included in account 1520, "Accumulated deferred income tax debits."

(b) This account shall be credited with the amount of investment tax credits utilized in the current year for income tax purposes but deferred for accounting purposes (see Instruction 31).

(c) This account shall be concurrently debited with amounts credited to account "provision for deferred taxes," representing amortization of amounts for investment tax credits deferred in prior accounting periods.

(d) This account shall be maintained in such a manner as to show separately:

(1) The unamortized balance of deferred income taxes and deferred investment tax credit separately as of

the beginning and as of the end of each year, (2) the entries which affected the account balance, and (3) the current year's net credits or charges applicable to timing differences and deferred investment tax credits.

Note A.— For definitions of income tax terminology see Definition 39. Account 8740/9740, "Provision for deferred taxes", and account 8851/9851, "Provision for deferred taxes—extraordinary items" shall concurrently be charged (credited) with the net effect of material timing effects. Other related deferred income tax balance sheet accounts are:

Account 1170, "Deferred income tax debits."
Account 1520, "Accumulated deferred income tax debits."
Account 2190, "Deferred income tax credits."

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