

Sunshine Act Meetings

Federal Register

Vol. 49, No. 30

Monday, February 13, 1984

This section of the FEDERAL REGISTER contains notices of meetings published under the "Government in the Sunshine Act" (Pub. L. 94-409) 5 U.S.C. 552b(e)(3).

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1

AFRICAN DEVELOPMENT FOUNDATION

TIME AND DATE: 1:00 p.m., February 17, 1984.

PLACE: African Development Foundation, 1724 Massachusetts Avenue, NW., Washington, D.C.

SUBJECT: General Business.

STATUS: Open.

PERSON TO CONTACT: Douglas Robbins, ADF Liaison Office, (703) 235-1882.

Dated: February 7, 1984.

Douglas Robertson,

Acting General Counsel of the African Development Foundation.

[FR Doc. 84-3960 Filed 2-9-84; 3:18 pm]

BILLING CODE 6116-01-M

2

FEDERAL DEPOSIT INSURANCE CORPORATION

Notice of Agency Meeting

Pursuant to the provisions of the "Government in the Sunshine Act" (5 U.S.C. 552b), notice is hereby given that at 3:20 p.m. on Wednesday, February 8, 1984, the Board of Directors of the Federal Deposit Insurance Corporation met in closed session, by telephone conference call, to: (1) Receive bids for the purchase of certain assets of and the assumption of the liability to pay deposits made in Heritage Bank of Bureau County, Depue, Illinois, which was closed by the Commissioner of Banks and Trust Companies for the State of Illinois on Wednesday, February 8, 1984; (2) accept the bid for the transaction submitted by The Colonial Trust and Savings Bank of Bureau County, Depue, Illinois, a newly-chartered State nonmember bank

subsidiary of Colonial Bancorporation, Inc., Peru, Illinois; (3) approve the applications of The Colonial Trust and Savings Bank of Bureau County, Depue, Illinois, for Federal deposit insurance, for consent to purchase the assets of and to assume the liability to pay deposits made in Heritage Bank of Bureau County, Depue, Illinois, and for consent to establish the one existing branch and one approved but unopened branch of Heritage Bank of Bureau County as branches of The Colonial Trust and Savings Bank of Bureau County; and (4) provide such financial assistance, pursuant to section 13(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(2)), as was necessary to facilitate the purchase and assumption transaction.

In calling the meeting, the Board determined, on motion of Director Irvine H. Sprague (Appointive), seconded by Mr. Doyle L. Arnold, acting in the place and stead of Director C. T. Conover (Comptroller of the Currency), that Corporation business required its consideration of the matters on less than seven days' notice to the public; that no earlier notice of the meeting was practicable; that the public interest did not require consideration of the matters in a meeting open to public observation; and that the matters could be considered in a closed meeting pursuant to subsections (c)(6), (c)(8), (c)(9)(A)(ii), and (c)(9)(B) of the "Government in the Sunshine Act" (5 U.S.C. 552b (c)(6), (c)(8), (c)(9)(A)(ii), and (c)(9)(B)).

Dated: February 9, 1984.

Federal Deposit Insurance Corporation.

Hoyle L. Robinson,

Executive Secretary.

[FR Doc. 84-3982 Filed 2-9-84; 3:40 pm]

BILLING CODE 6714-01-M

3

NUCLEAR REGULATORY COMMISSION

DATE: Tuesday, February 14, 1984.

PLACE: Commissioners' Conference Room, 1717 H Street, NW., Washington, D.C.

STATUS: Open.

MATTERS TO BE DISCUSSED:

Tuesday, February 14

10:00 a.m.

Discussion of Staff Recommendations on DOE Siting Guidelines (Public Meeting) 2:00 p.m.

Briefing on BWR Pipe Cracks—Status of Plants (Public Meeting)

ADDITIONAL INFORMATION: Briefing by Executive Branch scheduled for February 7, *cancelled*.

TO VERIFY THE STATUS OF MEETINGS

CALL: (Recording)—(202) 634-1498.

CONTACT PERSON FOR MORE

INFORMATION: Walter Magee, (202) 634-1410.

Walter Magee,

Office of the Secretary.

[FR Doc. 84-3897 Filed 2-9-84; 9:37 am]

BILLING CODE 7590-01-M

4

NUCLEAR REGULATORY COMMISSION

DATE: Week of February 13, 1984.

PLACE: Commissioners' Conference Room, 1717 H Street, NW., Washington, D.C.

STATUS: Open and Closed.

MATTERS TO BE DISCUSSED:

Tuesday, February 14

10:00 a.m.

Discussion of Staff Recommendations on DOE Siting Guidelines (Public Meeting) (As Announced)

2:00 p.m.

Briefing on BWR Pipe Cracks—Status of Plants (Public Meeting) (As Announced)

Wednesday, February 15

2:00 p.m.

Discussion of Pending Investigation (Closed—Ex. 5, 7 and 10)

Thursday, February 16

2:00 p.m.

Discussion of Advance Notice of Rulemaking on Backfitting (Public Meeting)

ADDITIONAL INFORMATION: Discussion of Management-Organization and Internal Personnel Matters scheduled for February 9, *cancelled*.

TO VERIFY THE STATUS OF MEETINGS

CALL: (Recording)—(202) 634-1498.

CONTACT PERSON FOR MORE

INFORMATION: Walter Magee, (202) 634-1410.

Walter Magee,

Office of the Secretary.

[FR Doc. 84-3958 Filed 2-9-84; 3:18 pm]

BILLING CODE 7590-01-M

Registered Federal Letter

Monday
February 13, 1984

Part II

Department of Housing and Urban Development

Office of the Assistant Secretary for
Community Planning and Development

Urban Development Action Grants;
Revised Minimum Standards for Small
Cities; Notice

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Community Planning and Development

[Docket No. N-84-1341; FR-1945]

Urban Development Action Grants; Revised Minimum Standards for Small Cities

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice.

SUMMARY: In accordance with 24 CFR 570.452(b)(1), the Department is providing Notice of the most current minimum standards of physical and economic distress for small cities for the Urban Development Action Grant program.

This Notice revises the Notice published March 1, 1983 (48 FR 8758). The changes to eligibility in this Notice principally result from a regulation change to the minimum distress standards published January 25, 1984 (49 FR 3074). The change provides an additional minimum standard of distress based on long term high unemployment as used by the Department of Labor to identify Labor Surplus Areas. The changes also result from the use of updated 1980 age of housing data and poverty data as well as from revised eligibility thresholds.

This Notice contains five lists: One list (see Part II of this Notice) identifies those cities which qualify as distressed communities based upon the new minimum standards; a second list (see Part III of this Notice) identifies those cities which did not qualify when the March 1, 1983 list was published but which do qualify now; a third list (see Part IV of this Notice) identifies those cities which were classified as distressed on the March 1, 1983 list, but which no longer qualify under the new minimum standards; a fourth list (see Part V of this Notice) identifies those cities which were classified as distressed on June 8, 1982 list but no longer qualified when March 1, 1983 list was published; finally, a fifth list (See Part VI of this Notice) identifies those towns and townships which qualify as distressed communities based upon the new minimum standards.

EFFECTIVE DATE: March 7, 1984.

FOR FURTHER INFORMATION CONTACT: Frank Ridenour, Office of Urban Development Action Grants, Department of Housing and Urban Development, 451 Seventh Street SW.,

Washington, D.C. 20410, Telephone: 202-755-6784. For information on minimum distress standards or the data used to determine whether a community qualifies as distressed contact: Robert Brever, Telephone: 202/755-6042.

SUPPLEMENTARY INFORMATION: A Notice published by the Department on March 1, 1983 provided the minimum standards of physical and economic distress which were applicable up to the effective date of this Notice for small cities which met the standards published at that time.

Part I of this Notice now specifies the new minimum standards of physical and economic distress. Parts II through VI contain the lists enumerated in the Summary section of this Notice. Part II of this Notice contains a revised list of all the small cities which meet the new standards. Part III of this Notice lists those small which, based upon the new minimum standards, appear on the list in Part II but did not qualify when the March 1, 1983 list was published. Part IV is a list of those cities which were classified as distressed on the March 1, 1983 list but which no longer qualify under the minimum standards. These cities listed in Part IV have a period of time, as specified in Part IV, during which they may submit Action Grant applications. Part V is a list of cities that were continued on as being eligible by the 1983 amendments to the Housing and Community Development Act of 1974 after they were identified in the March 1, 1983 list as losing their qualification as of August 31, 1983. None of these cities are listed in Part III of this Notice as having regained eligibility. The final submission date for these small cities will be August 31, 1984. Part VI is a revised list of eligible towns and townships.

A regulation change published January 25, 1984 added a seventh minimum standard of economic distress (six of which are used for small cities). A small city meets the standard if it is within an area that meets the unemployment criterion required for designation as a Labor Surplus Area (LSA). Since the number of criteria required for distress designation remained the same, this regulation change did not result in the loss of distress designation for any small city.

In general, LSAs are high unemployment cities with a population greater than 50,000, counties and county balances which are designated by the Department of Labor for the purpose of targeting Federal procurements. An area receives the LSA designation if it surpasses a threshold. This threshold is calculated by utilizing the national average unemployment rate. An area

receives the LSA designation if it exceeds 120 percent of the national average unemployment rate over the last two years. The range of the threshold cannot exceed 10 percent or go below 6 percent. The specified unemployment rate for the 1981-1982 period is ten percent.

A list of eligible labor surplus areas was published in the Federal Register on September 29, 1983 (48 FR 44676).

The minimum standard for age of housing is revised based on the 1980 Census. Previously, 1970 housing counts were used (adjusted for boundary changes through 1980). The minimum distress thresholds for population lag/decline, job lag/decline and per capita income growth have changed slightly to reflect small corrections and additions to the data.

Also, the standards were changed as a result of two other factors: First, there was a revision to the method for calculating the percentage of poverty. The new method uses the same percent as reported by the Bureau of the census. The previous method gave a different result since the denominator was the latest population estimate or count, and was not adjusted to exclude certain people such as those living in group quarters. Second, the data and thresholds are rounded to one decimal place instead of two. Thus, the data corresponds to the number of decimal places used by the Bureau of the Census and Labor Statistics.

This Notice is published pursuant to 24 CFR § 570.452(b)(1).

Part I

A small city must pass three minimum standards of physical and economic distress for the categories appropriate to their size, except that if the percentage of poverty is less than half the minimum standard, the city must pass four standards. The most current minimum standards of physical and economic distress are:

A. Age of Housing. At least 21.0 percent of the applicant's year-round housing units must have been constructed prior to 1940, based on 1980 U.S. Census data, in order to meet this minimum standard;

B. Per Capita Income Change. The net increase in per capita income for the period of 1969-1979 must have been \$4036 or less, based on U.S. Census data, in order to meet this minimum standard;

C. Population Growth Lag/Decline. For the period 1970-1980 the percentage rate of population growth (based on corporate boundaries in 1970 and as of the 1980 Census) must have been 1.7

percent or less, based on U.S. Census data, in order to meet the minimum standards;

D. Job Lag/Decline. The rate of growth in retail and manufacturing employment for the period 1972-1977 must have increased by 6.9 percent or less, based on U.S. Census data, in order to meet this minimum standard. If neither data source is available this standard will not be considered;

E. Poverty. The percentage of persons within the applicant's jurisdiction at or below the poverty level must be 12.4 percent or more, based on 1980 U.S. Census data, in order to meet this minimum standard.

F. Labor Surplus Area. The small city must either be entirely within or partially within an area which meets the criteria for designation as a Labor Surplus Area as of October 1983. These areas include cities with populations of 50,000 or more, counties or county balances with an unemployment rate of ten percent for calendar years 1981-1982.

II. The following small cities meet the current minimum standards of physical and economic distress appropriate to their class.

Alabama

Abberille	Brundidge
Addison	Calera
Akron	Camden
Albertville	Camp Hill
Alexander City	Carbon Hill
Aliceville	Cardiff
All Good	Carolina
Altoona	Carrollton
Andalusia	Carrville
Anderson	Castleberry
Ardmore	Cedar Bluff
Ariton	Centre
Arley	Centreville
Ashford	Chatom
Ashland	Chickasaw
Ashville	Childersburg
Athens	Citronelle
Atmore	Clanton
Attalla	Clayhatchee
Auburn	Clayton
Autaugaville	Cleveland
Baileytown	Clio
Banks	Coffee Springs
Bay Minette	Coffeeville
Bayou La Batre	Collinsville
Bear Creek	Colony
Beatrice	Columbia
Beaverton	Columbiana
Benton	Coodsada
Billingsley	Cordova
Black	Cottonwood
Blountsville	County Line
Blue Mountain	County Line
Blue Springs	Courtland
Boaz	Crossville
Boligee	Cuba
Bon Air	Dadeville
Brantley	Daleville
Brent	Daphne
Brewton	Daviston
Bridgeport	Dayton
Brighton	Demopolis
Brilliant	Detroit

Dora	Kansas
Double Springs	Kennedy
Douglas	Killen
Dozier	Kinston
Dutton	Lafayette
East Brewton	Lakeview
Eclectic	Lanett
Edwardsville	Langston
Elba	Leighton
Elberta	Lester
Eldridge	Level Plains
Elkmont	Lexington
Enterprise	Libertyville
Epes	Lincoln
Ethelsville	Linden
Eufaula	Lineville
Eundia	Lipscomb
Eutaw	Lisman
Evergreen	Livingston
Excel	Loachapoka
Fairfield	Lockhart
Fairview	Louisville
Falkville	Lowndesboro
Faunsdale	Loxley
Five points	Luverne
Flomaton	Lynn
Floral	McKenzie
Forkland	McMullen
Fort Deposit	Madrid
Fort Payne	Mapleville
Franklin	Margaret
Frisco City	Marion
Fruithurst	Maytown
Fulton	Memphis
Fyffe	Mentone
Gainesville	Midland City
Gantt	Midway
Gantts Quarry	Millport
Garden City	Millry
Gaylesville	Montevallo
Geiger	Mooreville
Geneva	Mosses
Georgiana	Moulton
Geraldine	Moundville
Gilbertown	Mountainboro
Glen Allen	Mount Vernon
Glenwood	Mulga
Goldville	Myrtlewood
Good Hope	Napier Field
Goodwater	Nauvoo
Gordo	Nectar
Gordon	Needham
Goshen	Newbern
Graysville	New Brockton
Greensboro	New Site
Greenville	Newton
Grove Hill	Newville
Guin	North Courtland
Guntersville	North Johns
Gurley	Northport
Guwin	Notasulga
Hackleburg	Oak Grove
Haleburg	Oak Hill
Haleyville	Oakman
Hamilton	Odenville
Hammondville	Ohatchee
Hanceville	Oneonta
Harpersville	Onycha
Hartford	Opp
Hartselle	Orrville
Hayden	Ozark
Hayneville	Paint Rock
Headland	Parrish
Heath	Pell City
Heflin	Pennington
Hillsboro	Petrey
Hobson City	Phil Campbell
Hodges	Pickensville
Holly Pond	Piedmont
Hollywood	Pinckard
Hurtsboro	Pine Apple
Jackson's Gap	Pine Hill
Jacksonville	Pisgan
Jasper	Pollard
Jemison	Powells Crossroads

Prichard
Providence
Ragland
Rainsville
Red Bay
Red Level
Reform
Repton
Ridgeville
River Falls
Riverside
Roanoke
Rockford
Rogersville
Roosevelt City
Rosa
Russellville
Rutledge
Samson
Sanford
Sardis City
Section
Selma
Sheffield
Silas
Sipsey
Slocumb
Snead
Somerville
South Vinemont
Springville
Steele
Stevenson
Sulligent
Summerdale
Sweetwater
Sylacauga
Sylvania

Talladega
Talladega Springs
Tallassee
Tarrant City
Thomaston
Thomasville
Thorsby
Town Creek
Toxey
Trafford
Triana
Troy
Tuscumbia
Tuskegee
Union
Union Grove
Union Springs
Uniontown
Valley Head
Vernon
Vina
Vincent
Wredenburgh
Wadley
Waldo
Walnut Grove
Wateloo
Waverly
Wedowee
West Blocton
West Point
Wetumpka
Whitehall
Whites Chapel
Wilton
Woodland
Woodville
York

Alaska

Akiak	Mekoryuk
Akiak	Mountain Village
Akolmiut	Napakiaik
Akutan	Napaskiak
Alakanuk	Nenana
Allakaket	New Stuyahok
Anaktuvuk Pass	Newtok
Aniak	Nightmute
Anvik	Nikolai
Atmautluak	Nondalton
Brevig Mission	Noorvik
Buckland	Nulato
Cheformak	Old Harbor
Chevak	Pilot Station
Chuathbaluk	Platinum
Clark's Point	Port Alexander
Deering	Port Lions
Diomedes	Quinhagak
Eagle	Ruby
Eek	Russian Mission
Ekwok	St Mary's
Elim	St Michael
Emmonak	Savoonga
Fortuna Ledge	Scammon Bay
Fort Yukon	Selawik
Gambell	Shageluk
Golovin	Shaktolik
Goodnews Bay	Sheldon Point
Grayling	Shishmaref
Holy Cross	Shungnak
Hoop Bay	Stebbins
Hughes	Tanana
Huslia	Teller
Kaltag	Tenakee Springs
Kiana	Togiak
Kivalina	Toksook Bay
Kobuk	Tuluksak
Kotlik	Tununak
Koyuk	Unalakleet
Koyukuk	Upper Kalskag
Kwethluk	Wales
Lower Kalskag	White Mountain

Arizona

Apache Junction
Avondale
Benson
Bisbee
Casa Grande
Clarkdale
Clifton
Coolidge
Douglas
Duncan
El Mirage
Eloy
Florence
Globe
Guadalupe
Hayden
Holbrook
Jerome
Mammoth
Miami

Nogales
Patagonia
Payson
Pima
Safford
St Johns
San Luis
Show Low
Somerton
South Tucson
Superior
Surprise
Thatcher
Tombstone
Wellton
Wilcox
Williams
Winkelman
Winslow

Arkansas

Adona
Alicia
Allport
Alma
Almyra
Alpena
Altheimer
Altus
Amagon
Amity
Antoine
Arkadelphia
Arkansas City
Ash Flat
Atkins
Aubrey
Augusta
Avoca
Bald Knob
Banks
Barling
Bassett
Batesville
Bauxite
Bearden
Beaver
Beebe
Beedeville
Belleville
Ben Lomond
Berryville
Bigelow
Big Flat
Biggers
Black Oak
Black Rock
Black Springs
Blevins
Blue Eye
Blue Mountain
Bluff
Blytheville
Bodcaw
Bonanza
Booneville
Bradford
Bradley
Branch
Brinkley
Buckner
Burdette
Caldwell
Cale
Calico Rock
Calion
Camden
Campbells Station
Caraway
Carlisle
Carthage
Casa

Caulksville
Cave Springs
Charleston
Chester
Chidester
Clarendon
Clarksburg
Clinton
Coal Hill
College City
Colt
Concord
Corning
Cotter
Cotton Plant
Cove
Coy
Crawfordsville
Cushman
Daisy
Damascus
Datto
Delaplaine
Delight
Dell
Denning
De Queen
Dermott
Des Arc
De Valls Bluff
De Witt
Diaz
Dierks
Dover
Dumas
Dyer
Dyess
Earle
Edmonson
Elaine
El Dorado
Elkins
Emerson
England
Enola
Eudora
Eureka Springs
Evening Shade
Everton
Fisher
Fordyce
Foreman
Forrest City
Franklin
Biscoe Town
Fulton
Garfield
Garland
Garner
Gateway
Gentry

Gilbert
Gillett
Gilmore
Glenwood
Gosnell
Gould
Grady
Grannis
Gravette
Green Forest
Greenway
Greenwood
Greers Ferry
Griffithville
Grubbs
Guion
Gum Springs
Gurdon
Guy
Hackett
Hamburg
Hardy
Harrell
Harrisburg
Hartford
Hatfield
Havana
Haynes
Hazen
Hector
Helena
Hermitage
Higden
Higginson
Holly Grove
Horatio
Hot Springs
Houston
Hoxie
Hughes
Humnoke
Humphrey
Hunter
Huntington
Imboden
Jacksonport
Jasper
Johnson
Joiner
Judsonia
Junction City
Keiser
Kensett
Keo
Kibler
Kingsland
Knobel
Lafe
Lake View
Lake Village
Lamar
Leachville
Leola
Lepanto
Leslie
Letona
Lewisville
Lincoln
Lockesburg
Lonsdale
Louann
Luxora
Lynn
McCrary
McDougal
McGehee
McNeil
McRae
Madison
Magazine
Magness
Magnolia
Malvern
Mammoth Springs
Manila

Mansfield
Marianna
Marie
Marked Tree
Marmaduke
Marshall
Marvell
Maynard
Mena
Menifee
Midland
Minturn
Mitchellville
Monette
Monticello
Montrose
Moro
Morrilton
Morrison Bluff
Mountainburg
Mountain Pine
Mountainview
Mount Ida
Mount Vernon
Mulberry
Murfreesboro
Nashville
Newark
Newport
Nimmons
Norfolk
Norman
Norphlet
Oak Grove
Oak Grove Heights
Oden
Ogden
Oil Trough
O'Kean
Okolona
Ola
Omaha
Osceola
Oxford
Ozan
Ozark
Palestine
Pangburn
Paragould
Paris
Parkdale
Parkin
Patmos
Patterson
Peach Orchard
Perla
Perry
Perryville
Piggott
Plainview
Plumerville
Pocahontas
Pollard
Portia
Portland
Pottsville
Powhatan
Prairie Grove
Prattville
Prescott
Pyatt
Quitman
Ratcliff
Ravenden
Ravenden Springs
Reader
Rector
Reed
Reyno
Rison
Rockport
Roe
Rondo
Rose Bud
Rosston

Rudy
Russell
St Charles
St Francis
St Paul
Salem
Scranton
Searcy
Sherrill
Shirley
Sidney
Smackover
Smithville
South Lead Hill
Sparkman
Stamps
Star City
Stephens
Strawberry
Strong
Subiaco
Success
Sulphur Springs
Summitt
Sunset
Swift
Thomton
Tillar
Tollette
Trumann
Tuckerman
Tupelo
Turrell
Tyronza

Ulm
Valley Springs
Van Buren
Vandervoort
Victoria
Vilonia
Viola
Wabbaseka
Waldenburg
Waldo
Waldron
Walnut Ridge
Warren
Washington
Watson
Western Grove
West Helena
West Point
Wheatley
Wickes
Widener
Wiederkehr
Williford
Willisville
Wilmar
Wilmot
Wilson
Winchester
Winslow
Winthrop
Wooster
Yellville
Zinc

California

Adelanto
Amador
Anderson
Angels
Arcata
Arvin
Avenal
Banning
Barstow
Bell
Bell Gardens
Biggs
Blue Lake
Blythe
Brawley
Calxico
Calipatria
Clearlake
Coachella
Coalinga
Colfax
Colusa
Commerce
Corcoran
Corning
Crescent City
Cudahy
Delano
Dinuba
Dorris
Dos Palos
Dunsmuir
Etna
Eureka
Exeter
Farmersville
Ferndale
Firebaugh
Fort Bragg
Fort Jones
Fowler
Gonzales
Grass Valley
Greenfield
Gridley
Hanford
Hollister
Hughson
Huntington Park

Huron
Indio
Industry
Ione
Irwindale
Isleton
King City
Lake Elsinore
La Puente
Lawndale
Lincoln
Lindsay
Live Oak
Livingston
Los Banos
Loyalton
Lynwood
McFarland
Madera
Maricopa
Marina
Marysville
Mendota
Merced
Monrovia
Montague
National City
Needles
Nevada City
Orange Cove
Orland
Oroville
Pacific Grove
Paramount
Parker
Patterson
Perris
Placerville
Plymouth
Point Arena
Portola
Red Bluff
Reedley
Rio Dell
Rio Vista
Riverbank
Sand City
San Gabriel
Sanger

San Jacinto
San Joaquin
San Pablo
Santa Paula
Selma
Soledad
Sonora
Susanville
Sutter Creek
Tehama
Tracy
Tulelake

Colorado

Aguilar
Alamosa
Alma
Antonito
Arriba
Ault
Blanca
Boone
Branson
Brookside
Brush
Buena Vista
Calhan
Campo
Canon City
Cedaredge
Center
Central City
Cheyenne Wells
Coal Creek
Cokedale
Collbran
Commerce City
Crestone
Cripple Creek
Crowley
Del Norte
Delta
Dinosaur
Dolores
Eckley
Elizabeth
Flagler
Florence
Fort Lupton
Fowler
Frederick
Fruita
Garden City
Granada
Grover
Gunnison
Hartman
Haswell
Holly
Holyoke
Hooper
Hugo
Ignacio
Iliff
Julesburg
Keenesburg
Kim
Kiowa
Kit Carson
La Jara
La Junta
Lamar
Las Animas
La Veta
Limon

Manassa
Mancos
Manzanola
Moffat
Monte Vista
Naturita
Nunn
Oak Creek
Olathe
Olney Springs
Ophir
Orchard City
Ordway
Otis
Ouray
Ovid
Pagosa Springs
Palisade
Paoli
Peetz
Pierce
Pritchett
Ramah
Raymer
Rico
Ridgway
Rockvale
Rocky Ford
Romeo
Rosedale
Rye
Saguache
Salida
Sanford
San Luis
Sawpit
Sedgwick
Seibert
Sheridan Lake
Silver Cliff
Silver Plume
Silverton
Simla
Springfield
Starkville
Sugar City
Superior
Telluride
Trinidad
Two Buttes
Victor
Vilas
Walsenburg
Walsh
Ward
Westcliffe
Wiggins
Wiley
Williamsburg
Yampa
Yuma

Connecticut

Ansonia
Bantam
Colchester
Danielson
Jewett City

Naugatuck
Putnam
Stafford Springs
Torrington
Willimantic

Delaware

Bethel
Blades
Bowers
Bridgeville
Cheswold
Clayton
Delaware City
Delmar
Ellendale
Farmington
Frankford
Frederica
Georgetown
Greenwood

Harrington
Laurel
Leipsic
Lawes
Little Creek
Magnolia
Milford
Milton
Odessa
Seaford
Smyrna
Townsend
Woodside
Wyoming

Florida

Alachua
Alford
Altha
Apalachicola
Arcadia
Archer
Avon Park
Bartow
Bay Lake
Bell
Blountstown
Bonifay
Bowling Green
Branford
Bronson
Brooksville
Bunnell
Bushnell
Callahan
Campbellton
Carrabelle
Caryville
Cedar Grove
Cedar Key
Center Hill
South Flomaton
Chattahoochee
Chiefland
Chipley
Cinco Bayou
Coleman
Cottondale
Crescent City
Crestview
Cross City
Davenport
De Funiak Springs
De Land
Dundee
Eatonville
Esto
Everglades
Fanning Spring
Fellsmere
Florida City
Fort Meade
Fort White
Frostproof
Graceville
Greensboro
Greenville
Gretna
Groveland
Haines City
Hastings
Havana
Hawthorne
High Springs
Homestead
Horseshoe Beach
Indian Creek
Interlachen
Jasper

Jennings
Key West
Labelle
La Crosse
Lady Lake
Lake City
Lake Hamilton
Lake Helen
Lake Wales
Laurel Hill
Lawtey
Lee
Leesburg
Live Oak
Madison
Malone
Marianna
Mascotte
Mayo
Micanopy
Minneola
Monticello
Moore Haven
Mount Dora
Mulberry
Noma
Oak Hill
Oakland
Okeechobee
Opalocka
Otter Creek
Palatka
Paxton
Perry
Pierson
Polk City
Ponce de Leon
Port St Joe
Quincy
Reddick
St Augustine
St Leo
St Marks
Sopchoppy
South Bay
South Miami
Springfield
Starke
Sweetwater
Tavares
Umatilla
Vernon
Waldo
Wauchula
Wasau
Webster
Welaka
Westville
Wewahatchka
White Springs
Wildwood
Worthington Springs
Zolfo Springs

Georgia

Abbeville
Adairsville
Adrian
Alley

Alamo
Alapaha
Aldora
Allenhurst
Allentown
Alma
Ambrose
Americus
Andersonville
Arabi
Aragon
Arcade
Argyle
Arlington
Ashburn
Attapulgus
Auburn
Avera
Baconton
Brainbridge
Ball Ground
Barnesville
Bartow
Barwick
Baxley
Between
Bibb City
Bishop
Blackshear
Blakely
Blue Ridge
Bluffton
Boston
Bostwick
Bowdon
Bowersville
Bowman
Braselton
Brinson
Bronwood
Brooklet
Brooks
Broxton
Brunswick
Buchanan
Buckhead
Buena Vista
Butler
Byromville
Byron
Cadwell
Cairo
Camak
Camilla
Canon
Canton
Carl
Carlton
Carnesville
Cartersville
Cave Spring
Cecil
Cedartown
Chatsworth
Chauncey
Chester
Claxton
Clermont
Climax
Cobbtown
Cochran
Cohutta
Colbert
Coleman
Collins
Colquitt
Comer
Concord
Coolidge
Cordele
Covington
Crawford
Crawfordville
Cusseta
Cuthbert

Daisy
Dallas
Damascus
Danielsville
Danville
Darien
Davisboro
Dawson
Dawsonville
Dearing
Decatur
Denton
De Soto
Dexter
Doerun
Du Pont
East Ellijay
Eastman
East Point
Eatonton
Edge Hill
Edison
Elberton
Ellaville
Ellenton
Ellijay
Emerson
Enigma
Ephesus
Eton
Euharlee
Fairmount
Fitzgerald
Flemington
Flovilla
Flowery Branch
Folkston
Forsyth
Fort Gaines
Fort Valley
Franklin
Garden City
Gay
Geneva
Georgetown
Gibson
Gillsville
Girard
Glennville
Glenwood
Gordon
Grantville
Greensboro
Greenville
Griffin
Guyton
Hahira
Hampton
Harlem
Harrison
Hartwell
Hawkinsville
Helena
Higgston
Hilltonia
Hoboken
Hogansville
Homer
Homerville
Ideal
Industrial City
Iron City
Irwin
Jackson
Jacksonville
Jeffersonville
Jenkinsburg
Jersey
Junction City
Kingston
Kite
La Grange
Lakeland
Lake Park
Lavonia

Leary	Rebecca	Woodbury	Wrightsville	Birds	Dupo
Leesburg	Remerton	Woodland	Yatesville	Bishop Hill	Du Quoin
Lenox	Rentz	Woodville	Young Harris	Blandinsville	Durand
Leslie	Rest Haven	Wrens		Blase Island	Eagarville
Lexington	Reynolds			Bluffs	Earlville
Lilly	Rine			Bluford	East Alton
Lincolnton	Riceboro			Bonnie	East Carondelet
Linwood	Richland	Aberdeen	Idaho	Bowen	East Chicago Heights
Lithonia	Riddleville	Acequia	Mackay	Bridgeport	East Gillespie
Locust Grove	Riverside	Albion	Malta	Broadwell	East Moline
Lone Oak	Roberta	Arco	Melba	Brocton	Easton
Louisville	Rochelle	Ashton	Menan	Brooklyn	Eddyville
Lovejoy	Rockmart	Athol	Midvale	Brookport	Edgewood
Ludowici	Rocky Ford	Bancroft	Minidoka	Broughton	Edwardsville
Lula	Rome	Bellevue	Moscow	Browning	Eldorado
Lumber City	Rossville	Bonnors Ferry	Moyie Springs	Brownstown	Eldred
Lumpkin	Royston	Buhl	Mud Lake	Brussels	Elizabethtown
Luthersville	Rutledge	Cascade	Mullan	Buckner	Elkville
Lyerly	Sale City	Castelford	Nampa	Buda	Ellis Grove
Lyons	Sandersville	Challis	Newdale	Bulpitt	Elsah
McCaysville	Sardis	Clark Fork	New Meadows	Buncombe	Energy
McDonough	Sasser	Clayton	New Plymouth	Bunker Hill	Enfield
McIntyre	Scotland	Clifton	Nezperce	Bureau Junction	Equality
McRae	Screven	Coeur D'Alene	Notus	Burnt Paririe	Exeter
Madison	Senoia	Cottonwood	Oakley	Bush	Fairfield
Manassas	Shady Dale	Council	Oldtown	Butler	Fairmont City
Manchester	Sharon	Craigmont	Orofino	Byron	Fairmount
Mansfield	Shellman	Crouch	Oxford	Cabery	Fairview
Marshallville	Shiloh	Dalton Gardens	Parma	Cahokia	Farina
Maxeys	Siloam	Dayton	Payette	Cairo	Farmer City
Meansville	Smithville	Donnelly	Ponderay	Calhoun	Farmington
Meigs	Social Circle	Downey	Priest River	Cambria	Fayetteville
Menlo	Sparks	Driggs	Rathdrum	Camden	Fidelity
Metter	Sparta	Dubois	Reubens	Camp Point	Fieldon
Midville	Stapleton	East Hope	Rexburg	Capron	Fillmore
Millen	Stillmore	Elk River	Rigby	Carbondale	Fithian
Millner	Summertown	Emmett	Riggins	Carlville	Flat Rock
Mineral Bluff	Summersville	Ferdinand	Ririe	Carlyle	Flora
Michell	Sumner	Fernan Lake	Roberts	Carriers Mills	Florence
Molena	Sunny Side	Glenns Ferry	Rockland	Carrollton	Forest City
Monroe	Surrency	Gooding	Rupert	Cartersville	Forreston
Montezuma	Sycamore	Grand View	St Anthony	Casey	Freeburg
Monticello	Sylvania	Grangeville	St Marie's	Caseyville	Freeman Spur
Montrose	Sylvester	Hagerman	Salmon	Cave-In-Rock	Freeport
Morganton	Talbotton	Harrison	Sandpoint	Central City	Galatia
Morven	Talking Rock	Hauser Lake	Shoshone	Centralia	Galesburg
Moultrie	Tallapoosa	Hayden	Smelterville	Centerville	Garrett
Mount Airy	Terrytown	Hollister	Spirit Lake	Chandlerville	Georgetown
Mount Vernon	Taylorville	Hope	Stites	Charleston	Germantown
Nahunta	Tennille	Huetter	Tensed	Chesterfield	Gillespie
Naylor	The Rock	Idaho City	Teton	Chrisman	Girard
Nelson	Thomaston	Jerome	Tetonia	Christopher	Gladstone
Newborn	Thomasville	Kamiah	Victor	Ciane	Godley
Newington	Thomson	Kellogg	Wallace	Claremont	Golconda
Newnan	Tiger	Kendrick	Wardner	Clay City	Golden
Newton	Tignall	Kooskia	Weippe	Clayton	Goreville
Nicholls	Toomsboro	Kootenai	Weiser	Coalton	Gorham
Norman Park	Trion	Lapwai	Wendell	Coatsburg	Grafton
Norwood	Ty Ty	Lava Hot Springs	Weston	Cobden	Grand Tower
Ochlocknee	Unadilla	Leadore	White Bird	Colchester	Grandview
Ocilla	Union Point	McCall	Wildor	Collinsville	Grantfork
Odum	Uvalda	McCammon	Worley	Colp	Greenfield
Oglethorpe	Varnell			Columbus	Greenup
Oliver	Vienna			Cowden	Greenville
Omaha	Villa Rica	Abingdon	Illinois	Creal Springs	Griggsville
Omega	Wadley	Adeline	Bannockburn	Creston	Hainesville
Parrott	Waleska	Alhambra	Bardolph	Cuba	Hamburg
Patterson	Walthourville	Allerton	Barry	Cutler	Hamletsburg
Pavo	Warm Springs	Alma	Bartleso	Cypress	Hanover
Payne	Warrenton	Alorton	Bath	Dahlgren	Hardin
Pearson	Warwick	Alsey	Baylis	Bay View Gardens	Harrisburg
Pelham	Washington	Altona	Bay View Gardens	Beaverville	Hartford
Pembroke	Waverly Hall	Alto Pass	Beckemeyer	Danville	Harvel
Pinehurst	Waycross	Alvin	Beecher City	Davis Junction	Harvey
Pineview	Waynesboro	Apple River	Belgium	Deer Grove	Havana
Pitts	Weston	Arlington	Belknap	De Kalb	Henning
Plains	West Point	Armington	Belle Prairie City	Depue	Herrick
Portal	Whigham	Aroma Park	Belle Rive	Detroit	Herrin
Porterdale	White	Ashley	Belleflower	Dix	Hettick
Poulan	White Plains	Astoria	Belvidere	Dongola	Hidalgo
Preston	Whitesburg	Augusta	Benlo	Dorchester	Hillsboro
Pulaski	Willacoochee	Ava	Bentley	Dover	Hillview
Quitman	Williamson	Avon	Benton	Dowell	Hodgkins
Ranger	Winder	Baldwin	Berlin	Du Bois	Homer
Rayle	Woodbine	Banner	Bingham		

Hoopeston	Middletown	Redmon	Summit	Bryant	Hamilton
Hopedale	Milford	Richview	Sumner	Bunker Hill	Hamlet
Hull	Mill Shoals	Ridge Farm	Table Grove	Burnettsville	Hanover
Hume	Milton	Ridgway	Tamaroa	Butler	Hardinsburg
Hurst	Modesto	Ridott	Tamms	Cadiz	Harmony
Hutsonville	Momence	Rio	Tampico	Cambridge City	Hartford City
Ina	Monmouth	Ripley	Taylor Springs	Campbellsburg	Hartsville
Indianola	Montrose	Robbins	Tennessee	Cannelburg	Hillsboro
Iola	Mound City	Robinson	Thawville	Cannelton	Holton
Iroquois	Mound	Rockbridge	Thebes	Carbon	Hope
Irving	Mound Station	Rockdale	Thompsonville	Carefree	Hudson
Iuka	Mount Carroll	Rockwood	Tilton	Carlisle	Huntington
Ivesdale	Mount Clare	Roodhouse	Tiskilwa	Carthage	Hymera
Jeffersonville	Mount Erie	Rose Hill	Tonica	Cayuga	Ingalls
Jeiserville	Mount Morris	Roseville	Topeka	Cedar Grove	Jasonville
Jerseyville	Mount Olive	Rosiclare	Tower Hill	Cedar Lake	Jeffersonville
Jewett	Mount Sterling	Rossville	Ullin	Center Point	Jonesboro
Johnston City	Mount Vernon	Roxana	Union Hill	Centerville	Jonesville
Jonesboro	Muddy	Royal Lakes	Ursa	Chalmers	Judson
Joppa	Mulberry Grove	Royalton	Valley City	Charlestown	Kempton
Joy	Muncie	Rushville	Vandalia	Chrisney	Kendallville
Junction	Murphysboro	Russellville	Venice	Churubusco	Kennard
Junction City	Nason	Rutland	Vermilion	Clarks Hill	Kewanee
Kampsville	National City	Sadorus	Vermont	Clay City	Kingman
Kane	Nauvoo	Sailor Springs	Vernon	Claypool	Kingsbury
Kangley	Nebo	St Anne	Versailles	Clayton	Kirklin
Kansas	Neoga	St Augustine	Victoria	Clinton	Knightstown
Karnak	New Athens	St David	Vienna	Copnersville	Knightsville
Keenes	New Boston	St Elmo	Virgen	Converse	Knox
Keensburg	New Burnside	St Johns	Virginia	Corunna	Laconia
Keithsburg	New Canton	Salem	Waggoner	Corydon	La Crosse
Keel	New Douglas	Sandoval	Walnut	Crandall	La Fontaine
Kewanee	New Grand Chain	Sauget	Wamac	Crawfordsville	Lagro
Keyesport	New Haven	Savanna	Washington Park	Cromwell	La Paz
Kilbourne	New Minden	Sawyerille	Wataga	Crothersville	La Porte
Kinderhook	New Salem	Scales Mound	Watson	Culver	Laurel
Kinmundy	Noble	Sciota	Wayne City	Dale	Lawrenceburg
Kinsman	Norris	Scottville	Waynesville	Dana	Leavenworth
Kirkwood	Norris City	Seaton	Weldon	Decatur	Lewisville
La Harpe	North City	Secor	Wenonah	Decker	Liberty
La Prairie	North Henderson	Shawneetown	West Brooklyn	Denver	Ligonier
La Salle	North Pekin	Sheffield	West City	Dillsboro	Linton
Lawrenceville	Oakland	Sheldon	Westfield	Dublin	Little York
Leaf River	Oakwood	Sherrard	West Frankfort	Dugger	Livonia
Lebanon	Oblong	Shipman	West Point	Dunkirk	Logansport
Leland	Odin	Shumway	Westville	Dunreith	Loogootee
Lenzburg	Oglesby	Sidell	Wheeler	Dupont	Losantville
Lewistown	Ohio	Sigel	Whiteash	Earl Park	Lynn
Liberty	Ohlman	Silvis	White City	East Germantown	Lyons
Lisbon	Old Ripley	Simpson	White Hall	Eaton	Macy
Litchfield	Old Shawneetown	Sims	Williamson	Economy	Madison
Littleton	Olmstead	Smithboro	Willisville	Edinburg	Marengo
Liverpool	Olney	Smithfield	Willow Hill	Edwardsport	Marion
Livingston	Omaha	Sorento	Wilmington	Elizabethtown	Markle
Loami	Onarga	South Beloit	Wilmington	Elnora	Markleville
Loda	Oquawka	South Pekin	Wilsonville	Elwood	Marshall
London Mills	Oregon	Spillertown	Winchester	English	Martinsville
Longview	Orient	Springerton	Witt	Fairmount	Matthews
Loraine	Ottawa	Standard City	Woodhull	Fairview Park	Mauckport
Louisville	Otterville	Staunton	Woodlawn	Farmersburg	Mecca
Lovington	Palmer	Sterling	Wood River	Farmland	Medaryville
Ludlow	Palmyra	Stewardson	Worden	Fountain City	Medora
Macedonia	Pana	Stonefort	Wyandot	Fowler	Mellott
McLeansboro	Papineau	Stoy	Wyoming	Fowlerton	Merom
Macomb	Paris	Strawn	Xenia	Frankford	Michigan City
Madison	Patoka	Streator	Zeigler	Franklin	Michigantown
Maeystown	Pearl	Summerfield		Fredericksburg	Middletown
Magnolia	Pembroke			French Lick	Milan
Manchester	Phillipstown			Fulton	Milford
Manito	Phoenix	Advance	Indiana	Garrett	Milford
Mapleton	Pittsburg	Alamo	Avilla	Gas City	Milltown
Maquon	Plainville	Albany	Bainbridge	Gaston	Milton
Marietta	Pleasant Hill	Albion	Bedford	Geneva	Mitchell
Marissa	Plymouth	Alexandria	Bethany	Georgetown	Modoc
Mark	Pocahontas	Alfordsville	Bicknell	Glenwood	Monon
Marshall	Poplar Grove	Alton	Bloomfield	Goodland	Monroe City
Martinsville	Potomac	Altona	Blountsville	Gosport	Montezuma
Mascoutah	Prairie City	Ambia	Boston	Grandview	Montgomery
Matherville	Pulaski	Amboy	Bourbon	Greencastle	Montpelier
Maunie	Quincy	Andrews	Brazil	Greensboro	Mooreland
Maywood	Radom	Angola	Brook	Greensburg	Moores Hill
Media	Raleigh	Argos	Brooklyn	Greensfork	Mooresville
Mendon	Ramsey	Ashley	Brooksbury	Griffin	Morgantown
Metcalf	Rankin	Aurora	Brookville	Hagerstown	Morocco
Metropolis	Reddick	Austin	Brownstown		Mount Auburn
			Bruceville		

Mount Carmel	Scottsburg	Boxholm	Fonda	McClelland	Pulaski
Mount Etna	Sellersburg	Bradgate	Fontanelle	Macedonia	Randolph
Mount Summit	Selma	Brandon	Fort Dodge	McGregor	Rathbun
Mulberry	Seymour	Bridgewater	Fort Madison	McIntire	Redding
Napoleon	Sharpville	Brighton	Fraser	Macksburg	Renwick
New Amsterdam	Shelburn	Burlington	Fredericksburg	Madrid	Rhodes
Newberry	Shelbyville	Callender	Fredonia	Magnolia	Richland
New Castle	Shirley	Cantril	Galt	Manchester	Ricketts
New Market	Shoals	Carbon	Garden Grove	Mapleton	Rinard
New Middletown	Sidney	Carpenter	Garrison	Maquoketa	Ringsted
New Pekin	Silver Lake	Carson	Gillett Grove	Marathon	Riverside
Newpoint	South Whitley	Casey	Gilmore City	Marble Rock	Riverton
Newport	Spencer	Castalia	Graettinger	Marcus	Rock Falls
New Providence	Spiceland	Castana	Graf	Marne	Rodney
Newtown	Spring Grove	Center Junction	Grafton	Marquette	Rome
North Grove	Springport	Centerville	Grand Junction	Martinsburg	Rose Hill
North Judson	Stinesville	Central City	Grand River	Marysville	Rudd
North Liberty	Straughn	Charles City	Grandview	Mason	Russell
North Vernon	Sullivan	Charlotte	Grant	Masonville	Sabula
Oakland City	Sulphur Springs	Charter Oak	Gravity	Massena	St Anthony
Oaktown	Summitville	Chatsworth	Gray	Maxwell	St Donatus
Odon	Sunman	Chelsea	Greeley	Maysville	St Lucas
Oldenburg	Switz City	Cincinnati	Green Island	Melcher	St Olaf
Oolitic	Tell City	Clare	Greenville	Melrose	St Paul
Orestes	Tennyson	Clarinda	Griswold	Middletown	Scarville
Orland	Thorntown	Clayton	Guthrie Center	Miles	Schleswig
Orleans	Tipton	Clearfield	Hamilton	Millerton	Scranton
Osgood	Pines	Clemons	Hanlontown	Milton	Searsboro
Palmyra	Troy	Clermont	Hardy	Missouri Valley	Seymour
Paoli	Union City	Clinton	Harpers Ferry	Mondamin	Shannon City
Paragon	Universal	Clutier	Harvey	Monmouth	Sharpsburg
Parker City	Upland	Coburg	Hastings	Montrose	Shelby
Patriot	Van Buren	Coggon	Havelock	Moravia	Shellsburg
Pendleton	Veederburg	Coin	Hawkeye	Morley	Sibley
Pennville	Vernon	Colesburg	Hayesville	Moulton	Sigourney
Perrysville	Versailles	Colfax	Hedrick	Mount Auburn	Sioux Rapids
Peru	Vevay	Collins	Hillsboro	Mount Ayr	Smithland
Pierceton	Vincennes	Columbus City	Holstein	Mount Sterling	South English
Pine Village	Wabash	Colwell	Hopkinton	Murray	Spillville
Plainville	Walkerton	Conway	Hornick	Mystic	Spragueville
Plymouth	Wallace	Corning	Humeston	Nashua	Springbrook
Porter	Walton	Correctionville	Hurstville	Neola	Stacyville
Portland	Washington	Corydon	Imogene	New Albin	Steamboat Rock
Ravenswood	Waterloo	Cotter	Ionia	New Liberty	Stratford
Redkey	Waveland	Crawfordsville	Ireton	New Market	Strawberry Point
Reynolds	West Baden	Cromwell	Jackson Junction	New Vienna	Swaledale
Richmond	West College Corner	Cumberland	Jolley	New Virginia	Tabor
Ridgeville	West Harrison	Curlw	Kamrar	Nichols	Tama
Rising Sun	West Lebanon	Cylinder	Kellerton	Nora Springs	Templeton
Roachdale	West Terre Haute	Dallas	Kensett	Northboro	Tennant
Roann	Wheatfield	Danbury	Kent	North Washington	Thayer
Rochester	Wheatland	Davis City	Keokuk	Norway	Thompson
Rockport	Whitestown	Dawson	Keota	Numa	Thor
Rockville	Whitewater	Decatur City	Kinross	Oakland	Thornburg
Rome City	Whiting	Deep River	Kirkville	Oakville	Thurman
Rosedale	Williamsport	Delaware	Kiron	Oelwein	Tingley
Roseland	Winamac	Delhi	Knierim	Ollie	Toronto
Rossville	Winchester	Deloit	Lacona	Onawa	Udell
Royal Center	Windfall City	Delta	Lamoni	Onslow	Unionville
Rushville	Wingate	Derby	Lamont	Orient	Urbana
St Joe	Winona Lake	Diagonal	La Motte	Oskaloosa	Ute
Salamonia	Winslow	Dickens	Lanesboro	Ossian	Vail
Salem	Wolcott	Dolliver	Lansing	Oto	Valeria
Saltito	Worthington	Dougherty	Lawler	Ottumwa	Van Wert
Saratoga		Dows	Leon	Oxford Junction	Villisca
		Drakesville	Le Roy	Oyens	Vining
		Dumont	Letts	Pacific Junction	Vinton
		Dundee	Lime Springs	Panora	Volga
		Dunlap	Linden	Paton	Wadena
		Eagle Grove	Lineville	Persia	Walker
		Earling	Linn Grove	Peterson	Wall Lake
		Earlville	Liscomb	Pierson	Washta
		Early	Littleport	Plain View	Waterville
		East Peru	Little Rock	Pleasanton	Waucoma
		Elberon	Little Sioux	Plover	Webster
		Eldon	Livermore	Plymouth	Weldon
		Ellston	Logan	Pocahontas	Wellsburg
		Ely	Lohrville	Pomeroy	Welton
		Estherville	Lorimor	Popejoy	Westphalia
		Exira	Lost Nation	Portsmouth	What Cheer
		Exline	Lovilia	Postville	Wheatland
		Farnhamville	Lucas	Preston	Whittemore
		Fayette	Lu Verne	Primghar	Whitten
		Fenton	Luzerne	Promise City	Willey
		Floris	Lytton	Protivin	Williams

Iowa

Afton	Athelstan
Agency	Auburn
Ainsworth	Aurora
Akron	Ayrshire
Albia	Bagley
Albion	Baldwin
Alexander	Barnes City
Allerton	Batavia
Alvord	Bayard
Andover	Beaconsfield
Andrew	Bedford
Anthon	Belle Plaine
Aredale	Bellevue
Arion	Bevington
Arispe	Blakesburg
Arlington	Blockton
Armstrong	Bloomfield
Ashton	Bonaparte

Williamson
Winterset
Wiota
Woodburn

Yale
Yetter
Zwingle

Kansas

Abbyville
Abilene
Agenda
Albert
Alden
Alexander
Almena
Altoona
Anthony
Arcadia
Arlington
Arma
Atchison
Athol
Attica
Axtell
Balwin City
Barnard
Barnes
Bartlett
Bassett
Baxter Springs
Bazine
Belpre
Benedict
Bern
Bison
Blue Mound
Blue Rapids
Bluff City
Bronson
Brownell
Buffalo
Burns
Bushong
Caldwell
Caney
Cassoday
Cawker City
Cedar
Cedar Vale
Centralia
Chapman
Chautauqua
Cherokee
Cherryvale
Chetopa
Circleville
Clay Center
Clifton
Climax
Clyde
Coffeyville
Collyer
Colony
Columbus
Concordia
Collidge
Copeland
Corning
Council Grove
Courtland
Coyville
Cuba
Damar
Delphos
Denison
Denton
Dighton
Dorrance
Downs
Dresden
Dunlap
Durham
Dwight
Earlton
Edna
Elgin
Elk City

Elk Falls
Elsmore
Elwood
Englewood
Ensign
Enterprise
Erie
Eureka
Fairview
Fall River
Florence
Fontana
Ford
Formoso
Fort Scott
Fredonia
Fulton
Galena
Gaylord
Geneseo
Geuda Springs
Glade
Glasco
Goff
Gove City
Green
Greenleaf
Grenola
Haddam
Hamilton
Hamlin
Hanover
Hardtner
Hartford
Haviland
Hazelton
Herington
Highland
Hillsboro
Holyrood
Horace
Horton
Howard
Humboldt
Hunter
Huron
Jamestown
Jennings
Jewell
Junction City
Kanorado
Kincaid
Kingman
Kiowa
Kirwin
Labette
La Harpe
Lane
Langdon
Latham
Lebanon
Lenora
Leona
Leonardville
Leoti
Le Roy
Liebenthal
Lincoln Center
Lincolnville
Linn
Logan
Lone Elm
Lost Springs
Louisville
Lucas
Luray
McCracken
McCune
McDonald

McLouth
Mahaska
Mankato
Mapleton
Marquette
Meade
Menlo
Milan
Miltonvale
Minneapolis
Minneola
Moline
Morganville
Morland
Morrill
Morrowville
Moscow
Mound City
Mound Valley
Mulberry
Mullinville
Munden
Muscotah
Narka
Natoma
Neosho Falls
Netawaka
New Cambria
Niotaze
Norcat
Norton
Nortonville
Oak Hill
Oakley
Offerle
Olivet
Olmits
Olsburg
Onaga
Oneida
Oswego
Ottawa
Palmer
Paradise
Park
Parker
Parkerville
Parsons
Partridge
Pawnee Rock
Paxico
Peabody
Penalosa
Peru
Phillipsburg
Pittsburg
Plainville
Pleasanton
Plevna
Portis
Powhattan
Prairie View
Prescott
Preston
Protection
Quenemo
Ramona

Adairville
Albany
Allen
Arlington
Auburn
Augusta
Barbourville
Bardstown
Bardwell
Barlow
Beattyville
Bedford
Bellevue
Benham
Benton
Berry

Randall
Rantoul
Redfield
Republic
Reserve
Rexford
Richfield
Richmond
Russell Springs
St Francis
St John
Savonburg
Scammon
Scandia
Schoenchen
Scranton
Selden
Severance
Severy
Sharon Springs
Smith Center
Soldier
Solomon
Spearville
Stafford
Sterling
Strong City
Summerfield
Sun City
Susank
Sylvan Grove
Sylvia
Tampa
Tescott
Thayer
Toronto
Treece
Troy
Turon
Tyro
Utica
Vining
Virgil
Wakefield
Waldo
Waldron
Wallace
Walnut
Washington
Waverly
Weir
West Mineral
Wetmore
Wheaton
White City
White Cloud
Whiting
Willard
Williamsburg
Wilson
Winchester
Windom
Winona
Woodston
Yates Center
Zurich

Kentucky

Blaine
Bloodfield
Bonnieville
Booneville
Bowling Green
Bradfordsville
Bremen
Brodhead
Bromley
Brooksville
Brownsville
Burgin
Butler
Cadiz
Calhoun
California

Camargo
Campbellsburg
Campton
Caneyville
Carlisle
Carrollton
Carrsville
Catlettsburg
Cave City
Central
Clarkson
Clay
Clay City
Clinton
Cloverport
Columbia
Columbus
Concord
Corbin
Corinth
Corydon
Crab Orchard
Crofton
Cumberland
Cynthiana
Danville
Dawson Springs
Dayton
Dixon
Dover
Drakesboro
Dry Ridge
Earlington
Eddyville
Edmonton
Ekron
Elkhorn City
Elkton
Eminence
Eubank
Evarts
Ewing
Fairfield
Falmouth
Ferguson
Fleming-Neon
Flemingsburg
Fordsville
Foster
Fountain Run
Franklin
Fredonia
Frenchburg
Fulton
Georgetown
Germantown
Ghent
Glasgow
Glencoe
Grand Rivers
Graz
Grayson
Greensburg
Greenup
Guthrie
Hardin
Hardinsburg
Harlan
Harrodsburg
Hartford
Hawesville
Hazard
Hazel
Hickman
Hindman
Hiseville
Hodgenville
Horse Cave
Hunter's Hollow
Hustonville
Hyden
Inez
Irvine
Irvington
Island

Jackson
Jamestown
Jeffersonville
Jenkins
Junction City
Kevil
La Center
La Fayette
Lancaster
Latonia Lakes
Lebanon
Lebanon Junction
Leitchfield
Lewisburg
Liberty
Livermore
Livingston
Lockport
London
Loretto
Louisa
Loyall
Ludlow
Lynch
Lynnview
McHenry
McKee
Manchester
Marion
Martin
Mayfield
Maysville
Melbourne
Middlesborough
Middletown City
Midway
Millersburg
Milton
Minor Lane Heights
Monterey
Monticello
Morehead
Morgantown
Mortons Gap
Mount Olivet
Mount Sterling
Mount Vernon
Muldraugh
Munfordville
Murray
Nebo
New Castle
New Haven
Newport
Oakland
Olive Hill
Owenton
Owingsville
Paducah
Paintsville
Paris
Park City
Parkway Village
Pembroke
Perryville
Pikeville
Pineville
Pleasureville
Prestonburg
Prestonville
Princeton
Providence
Raceland
Ravenna
Richmond
Rochester
Rockport
Russell Springs
Russellville
Sacramento
Sadieville
St Charles
Salem
Salt Lick
Salyersville

Sanders
Sandy Hook
Sardis
Science Hill
Scottsville
Sharpsburg
Shelbyville
Shepherdsville
Silver Grove
Smithfield
Smithland
Smiths Grove
Somerset
Sonora
South Carrollton
South Shore
Sparta
Springfield
Stamping Ground
Stanford
Stanton
Strathmoor Manor
Taylorsville
Tollesboro
Tompkinsville

Trenton
Upton
Vanceburg
Vico
Visalia
Wallins Creek
Warsaw
Washington
Water Valley
Wayland
West Buechel
West Liberty
West Point
Wheatcroft
Wheelwright
Whipps Milgate
White Plains
Whitesburg
Wickliffe
Williamsburg
Willisburg
Wilmore
Winchester
Worthville
Wurtland

Louisiana

Abbeville
Abita Springs
Albany
Amite City
Anacoco
Angie
Arcadia
Arnaudville
Ashland
Basile
Baskin
Bastrop
Belcher
Bernice
Bienville
Bogalusa
Bonita
Boyce
Bryceland
Bunkie
Calvin
Campti
Castor
Chataignier
Chatham
Cheneyville
Choudrant
Church Point
Clarence
Clarks
Clayton
Clinton
Colfax
Collinston
Columbia
Converse
Cottonport
Cotton Valley
Coushatta
Crowley
Cullen
Delcambre
Delhi
Delta
De Quincy
De Ridder
Dixie Inn
Dodson
Donaldsonville
Doyle
Dry Prong
East Hodge
Elizabeth
Elton
Epps
Erath
Eros
Evergreen

Farmerville
Fenton
Ferryday
Fisher
Florien
Folsom
Fordoche
Forest
Forest Hill
Franklin
Franklinton
French Settlement
Georgetown
Gibbsland
Gilbert
Gilliam
Glenmora
Golden Meadow
Goldonna
Grambling
Grand Cane
Grand Coteau
Grade Isle
Grayson
Greensburg
Gretna
Grosse Tete
Gueydan
Hall Summit
Hammond
Harrisonburg
Haughton
Haynesville
Heflin
Henderson
Hodge
Homer
Hornbeck
Houston
Independence
Jackson
Jamestown
Jeanerette
Jennings
Jonesboro
Jonesville
Junction City
Kaplan
Keatchie
Kentwood
Kilbourne
Kinder
Krotz Springs
Lake Arthur
Lake Providence
Lecompte
Leesville
Leonville

Lillie
Lisbon
Livingston
Logansport
Longstreet
Lucky
Lutcher
McNary
Madisonville
Mamou
Mangham
Mansfield
Mansura
Many
Marion
Marksville
Maurice
Melville
Mer Rouge
Merryville
Minden
Montgomery
Montpelier
Moreauville
Morganza
Morse
Mound
Mount Lebanon
Napoleonville
Natchez
Natchitoches
Newellton
New Roads
North Hodge
Oakdale
Oak Grove
Oak Ridge
Oberlin
Oil City
Opelousas
Palmetto
Parks
Pine Prairie
Pioneer
Plain Dealing
Plaquemine
Plaucheville
Pleasant Hill
Pollock
Ponchatoula
Port Barre
Powhatan

Augusta
Belfast
Biddeford
Brewer
Calais
Caribou
Eastport

Aberdeen
Barclay
Barton
Berlin
Betterton
Brentwood
Brookeville
Brookview
Cambridge
Capitol Heights
Cecilton
Centerville
Charlestown
Chesapeake City
Chestertown
Church Creek
Church Hill
Colmar Manor
Crisfield
Deer Park

Provencal
Rayne
Rayville
Reeves
Richmond
Richwood
Ridgecrest
Ringgold
Rodeline
Rodessa
Rosedale
Roseland
St. Francisville
St. Joseph
Saline
Sarepta
Shongaloo
Sibley
Sicily Island
Sikes
Simmesport
Simpson
Sorrento
South Mansfield
Spearsville
Springfield
Springhill
Stanley
Sun
Sunset
Tallulah
Tangipahoa
Tickfaw
Turkey Creek
Urania
Varnado
Vidalia
Ville Platte
Vivian
Walker
Washington
Waterproof
Welsh
West Monroe
White Castel
Wilson
Winnfield
Winnboro
Wisner
Woodworth
Youngsville
Zwolle

Maine

Gardiner
Hallowell
Old Town
Presque Isle
Rockland
South Portland
Waterville

Maryland

Delmar
Denton
East New Market
Edmonston
Eldorado
Elkton
Emmitsburg
Fairmount Heights
Federalsburg
Friendsville
Frostburg
Fruitland
Galena
Galestown
Goldsboro
Grantsville
Greensboro
Hancock
Havre de Grace
Herbron

Henderson
Hillsboro
Hurlock
Kitzmillville
Loch Lynn Heights
Lonaconing
Luke
Mardela Springs
Marydel
Midland
Millington
Mountain Lake Park
Mount Rainier
New Windsor
North Beach
North Brentwood
North East
Oakland
Perryville
Pittsville
Pocomoke City

Massachusetts

Beverly
Chelsea
Everett
Gardner

Port Deposit
Princess Anne
Queen Anne
Ridgely
Riverdale
Rock Hall
St Michaels
Salisbury
Secretary
Sharpsburg
Sharptown
Smithsburg
Snow Hill
Sudlersville
Templeville
Union Bridge
Vienna
Westernport
Willards
Williamsport

North Adams
Revere
Taunton

Michigan

Addison
Adrian
Ahmeek
Akron
Alanson
Albion
Algonac
Allegan
Allen
Alma
Almont
Alpena
Alpha
Applegate
Ashley
Athens
Bad Axe
Baldwin
Bancroft
Bangor
Baraga
Barryton
Bear Lake
Beaverton
Belding
Bellaire
Bellevue
Benzonia
Berrien Springs
Bessemer
Beulah
Big Rapids
Bloomingdale
Boyne City
Boyne Falls
Breckenridge
Breedsville
Britton
Bronson
Brown City
Buchanan
Buckley
Burlington
Burr Oak
Byron
Cadillac
Calumet
Camden
Capac
Carleton
Carney
Caro
Carson City
Carsonville
Caseville

Casnovia
Caspian
Cassopolis
Cedar Springs
Cement City
Central Lake
Centreville
Charlevoix
Charlotte
Cheboygan
Clare
Clarksville
Clayton
Clifford
Clio
Coldwater
Coleman
Coloma
Colon
Columbiaville
Concord
Constantine
Copersh
Copper City
Corunna
Croswell
Crystal Falls
Custer
Daggett
Dansville
Decatur
Decker
Deerfield
de Tour Village
Dowagiac
Dryden
Durand
Eagle
East Jordan
East Lake
East Tawas
Eaton Rapids
Eau Claire
Ecorse
Edmore
Edwardsburg
Elberta
Elkton
Ells Worth
Emmett
Empire
Escanaba
Essexville
Estral Beach
Ewart

Farwell	Mackinac Island	Prescott	Suttons Bay	Delhi	Hokah
Fennville	Mackinaw City	Quincy	Tawas City	Denham	Holland
Fenton	Mancelona	Ravenna	Tekonsha	Dennison	Holloway
Ferndale	Manistee	Reading	Thompsonville	Dent	Holt
Fife Lake	Manistiquie	Reed City	Three Oaks	Detroit Lakes	Houston
Forestville	Manton	River Rouge	Three Rivers	Donaldson	Humboldt
Fountain	Maple Rapids	Rogers City	Traverse	Dumont	Ihlen
Fowler	Marcellus	Romeo	Turner	Dundee	International Falls
Fowlerville	Marine City	Roscommon	Tustin	Dunnell	Iron Junction
Frankfort	Marion	Rosebush	Twining	Eagle Bend	Ironton
Freeport	Marlette	Rose City	Uby	Echo	Jackson
Fremont	Marquette	Rothbury	Union City	Eden Valley	Jasper
Gaastra	Marshall	St Charles	Unionville	Edgerton	Jeffers
Gagetown	Martin	St Clair	Vandalia	Effie	Jenkins
Gaines	Maybee	St Ignace	Vanderbilt	Elbow Lake	Johnson
Galesburg	Mecosta	St Joseph	Vassar	Elmdale	Karlstad
Calien	Melvin	St Louis	Vermontville	Elmore	Kelliher
Garden	Memphis	Sandusky	Vernon	Ely	Kellogg
Gaylord	Mendon	Saranac	Wakefield	Emily	Kennedy
Gladstone	Menominee	Sault Sainte Marie	Waldron	Emmons	Kenneth
Gladwin	Merrill	Scottville	Walkerville	Erhard	Kensington
Gobles	Mesick	Sebawaing	Watervliet	Erskine	Kent
Grant	Metamora	Shelby	Wayland	Evan	Kenyon
Grayling	Middleville	Sheridan	West Branch	Evansville	Kerrick
Greenville	Millersburg	Sherwood	Westphalia	Fairfax	Kettle River
Hamtramck	Millington	South Haven	White Cloud	Faribault	Kilkenny
Hancock	Minden City	South Range	Whitehall	Farwell	Kimball
Hanover	Monroe	Springport	White Pigeon	Federal Dam	Kingston
Harbor Beach	Montague	Stambaugh	Whittemore	Felton	Lake Benton
Harbor Springs	Montgomery	Standish	Wolverine	Fergus Falls	Lake Brownson
Harrietta	Morenci	Stanton	Woodland	Fertile	Lake Park
Harrison	Morley	Stanwood	Wyandotte	Fifty Lakes	Lake Wilson
Harrisville	Morrice	Stephenson	Yale	Finlayson	Lamberton
Hart	Mount Clemens	Sterling	Ypsilanti	Flensburg	Lancaster
Hartford	Mount Morris	Sunfield		Floodwood	Lanesboro
Hastings	Mount Pleasant			Florence	La Porte
Hazel Park	Muir			Foreston	La Salle
Hersey	Mulliken			Fort Ripley	Lastrup
Hesperia	Munising	Ada	Braham	Fosston	Lengby
Highland Park	Nashville	Adrian	Brainerd	Frazee	Leonard
Hillman	Newaygo	Aitkin	Breckenridge	Freeport	Lewisville
Hillsdale	Newberry	Akeley	Brewster	Frost	Lismore
Homer	New Buffalo	Albany	Brook Park	Garvin	Little Falls
Honor	New Era	Alberta	Brooks	Gary	Littlefork
Hopkins	New Haven	Aldrich	Brookston	Genola	Long Beach
Houghton	Niles	Alexandria	Broton	Georgetown	Longville
Howard City	North Adams	Alpha	Brownville	Chent	Lonsdale
Hubbardston	North Branch	Altura	Brownsdale	Gilman	Louisburg
Hudson	Northport	Alvarado	Browns Valley	Glenwood	Lowry
Imlay City	Norway	Amboy	Bruno	Glyndon	Lucan
Inkster	Oakley	Argyle	Buckman	Gonvick	Luverne
Ionia	Oak Park	Arlington	Buffalo Lake	Goodridge	Mabel
Iron Mountain	Olivet	Askov	Callaway	Grand Marais	McGrath
Iron River	Omer	Audubon	Calumet	Granite Falls	McGregor
Ironwood	Onaway	Avoca	Canby	Grasston	McIntosh
Ishpeming	Onokama	Backus	Canton	Greenbush	McKinley
Ithaca	Onsted	Badger	Carlton	Green Isle	Madison
Jonesville	Ontonagon	Bagley	Cass Lake	Grey Eagle	Madison Lake
Kalkaska	Ortonville	Barnum	Cedar Mills	Gully	Magnolia
Keego Harbor	Otisville	Barrett	Chandler	Hackensack	Mahnomen
Kinde	Otsego	Barry	Chisholm	Hadley	Manhattan Beach
Kingsford	Otter Lake	Battle Lake	Clarissa	Hallock	Mankato
Kingsley	Ovid	Baudette	Clearbrook	Halma	Maplewood
Laingsburg	Owendale	Beardsley	Clear Lake	Hammond	Marble
Lake Linden	Owosso	Bejou	Clements	Hampton	Marietta
Lake Odessa	Parma	Belgrade	Clitherall	Hanska	Maynard
Lakeview	Paw Paw	Belchester	Clontarf	Harding	Meadowlands
Lakewood Club	Peck	Bellingham	Cloquet	Hardwick	Meire Grove
Lanse	Pellston	Beltrami	Coates	Harmony	Menahga
Lapeer	Perrinton	Bemidji	Cobden	Hatfield	Mendota
Laurium	Perry	Bena	Comfrey	Hawley	Mentor
Lawrence	Petersburg	Bertha	Conger	Hazel Run	Middle River
Lawton	Petoskey	Bethel	Cook	Henderson	Milan
Lennon	Pewamo	Bigelow	Correll	Hendricks	Millerville
Le Roy	Pierson	Big Falls	Cosmos	Henning	Millville
Lexington	Pigeon	Bigfork	Cromwell	Henriette	Milona
Lincoln	Pinckney	Bingham Lake	Crosby	Herman	Minnesota City
Linden	Pinconning	Biwabik	Currie	Heron Lake	Mizpah
Litchfield	Port Austin	Blackduck	Cyrus	Hewitt	Moose Lake
Ludington	Port Hope	Blomkest	Dalton	Hill City	Mora
Luna Pier	Portland	Bluffton	Danvers	Hillman	Morgan
Luther	Port Sanilac	Bock	Deer Creek	Hilltop	Morris
Lyons	Posen	Bovey	Deer River	Hinckley	Motley
McBain	Pottersville	Bowlus	Deerwood	Hitterdal	Murdock
McBride	Powers	Boyd	De Graff	Hoffman	Nashua
		Boy River	Delavan		

Minnesota

Nashwaug	Springfield	Big Creek	Kossuth	Silver Creek	Utica
Nassau	Spring Grove	Blue Mountain	Lake Center	Slate Spring	Vaiden
Nelson	Spring Hill	Blue Springs	Lambert	Sledge	Vardaman
Nevis	Spring Valley	Bolton	Laurel	Starkville	Vicksburg
New Auburn	Squaw Lake	Boyle	Leakesville	State Line	Walnut
Newfolden	Staples	Braxton	Leland	Stonewall	Walnut Grove
New Germany	Starbuck	Brookhaven	Lena	Sturgis	Water Valley
New Munich	Steen	Brooksville	Lexington	Summit	Waynesboro
New Trier	Stephen	Bruce	Louin	Sumner	Webb
New York Mills	Stewart	Bude	Louise	Sunflower	Weir
Nimrod	Strandquist	Burnsville	Louisville	Taylorsville	Wesson
Norcross	Strathcona	Byhalia	Lucedale	Tchula	West
Northfield	Sturgeon Lake	Calhoun City	Lula	Terry	West Point
Northome	Sunburg	Canton	Lumberton	Thaxton	Wiggins
Odessa	Swanville	Carrollton	Lyon	Tishomingo	Winona
Ogema	Taconite	Cary	Maben	Toccopola	Winstonville
Ogilvie	Tamarack	Centreville	McComb	Tunica	Woodland
Oklee	Taopi	Charleston	McCool	Tutwiler	Woodville
Onamia	Taunton	Chunky	McLain	Tylertown	Yazoo City
Orr	Tenstrike	Clarksdale	Macon	Union	
Ortonville	Thief River Falls	Cleveland	Magnolia		
Oslo	Thomson	Coffeeville	Marks		
Ottertail	Tower	Coldwater	Mathiston	Adrian	Brandsville
Palisade	Tracy	Collins	Mayersville	Albany	Braymer
Parkers Prairie	Trail	Columbia	Memphis	Aldrich	Breckenridge
Park Rapids	Trimont	Columbus	Meridian	Alexandria	Brimson
Pelican Rapids	Trommald	Como	Merigold	Allendale	Bronaugh
Pemberton	Turtle River	Corinth	Metcalfe	Altamont	Brookfield
Pequot Lakes	Twin Lakes	Courtland	Mize	Alton	Brookline
Perham	Twin Valley	Crawford	Montrose	Amazonia	Browning
Perley	Two Harbors	Crenshaw	Moorhead	Amity	Brownington
Peterson	Tyler	Crosby	Morgan City	Amoret	Brumley
Pierz	Ulen	Crowder	Mound Bayou	Amsterdam	Brunswick
Pillager	Underwood	Crouger	Mount Olive	Anderson	Bucklin
Pine City	Upsala	Crystal Springs	Myrtle	Annada	Buffalo
Pipestone	Vergas	Decatur	Natchez	Annapolis	Bunceton
Plummer	Verndale	De Kalb	New Albany	Anniston	Bunker
Porter	Vernon Center	Derma	New Augusta	Appleton City	Burgess
Quamba	Vesta	D'Lo	New Houlka	Arbyrd	Burlington Junction
Randall	Villard	Doddsville	Newport	Arcadia	Butler
Randolph	Vining	Drew	Newton	Arcola	Cabool
Ranier	Virginia	Duck Hill	North Carrollton	Argyle	Cainsville
Red Lake Falls	Wabasha	Dumas	Noxapater	Armstrong	Caledonia
Regal	Wabasso	Duncan	Oakland	Arrow Rock	Calhoun
Remer	Wadena	Durant	Okolona	Asbury	California
Revere	Waldorf	Ecru	Osyka	Ash Grove	Callao
Richmond	Walker	Eden	Pace	Atlanta	Camden
Richville	Walnut Grove	Edwards	Paden	Augusta	Campbell
Ronneby	Walters	Ellisville	Pass Christian	Aurora	Canalou
Roscoe	Waltham	Ethel	Philadelphia	Ava	Canton
Roseau	Wanda	Eupora	Picayune	Avile	Cardwell
Rose Creek	Warba	Falcon	Pickens	Bakersfield	Carrollton
Royaltyton	Warren	Falkner	Pittsboro	Baldwin Park	Cartersville
Rushford Village	Warroad	Fayette	Plantersville	Baring	Carthage
Ruthon	Watkins	Flora	Polkville	Barnard	Caruthersville
Rutledge	Waubun	Forest	Pontotoc	Barnett	Carytown
Sacred Heart	Waverly	French Camp	Pope	Bates City	Cassville
St Anthony	Wells	Friars Point	Poplarville	Bell City	Catron
St Hilaire	Westbrook	Gattman	Port Gibson	Belle	Cedar
St Leo	Westport	Georgetown	Potts Camp	Bellflower	Centertown
St Martin	West Union	Glendora	Prentiss	Benton	Centerview
St Rosa	Whalan	Gloster	Puckett	Benton City	Centerville
St Vincent	Wheaton	Golden	Quitman	Berger	Centralia
Sandstone	Williams	Goodman	Raleigh	Bernie	Chaffee
Sauk Centre	Willow River	Greenville	Renova	Bethany	Chamois
Seaforth	Wilmont	Greenwood	Richton	Beverly Hills	Charlack
Sebekia	Winger	Grenada	Rienzi	Bevier	Charleston
Sedan	Winona	Gunnison	Rolling Fork	Bigelow	Chilhowee
Shafer	Winthrop	Guntown	Rosedale	Billings	Chillicothe
Shelly	Wolf Lake	Hattiesburg	Roxie	Brich Tree	Clarence
Shelvin	Wright	Hazlehurst	Ruleville	Birmingham	Clark
Slayton	Wykoff	Heidelberg	Sallis	Bismarck	Clarksburg
Sobieski	Zemple	Hickory	Satartia	Blackwater	Clarkton
Solway		Hickory Flat	Schlater	Bland	Clever
		Hollandale	Scoba	Blodgett	Climax Springs
		Holly Springs	Seminary	Bloomfield	Clinton
		Houston	Senatobia	Blue Eye	Clyde
		Indianola	Shannon	Blythedale	Cobalt City
		Inverness	Shaw	Bogard	Coffey
		Isola	Shelby	Bolckow	Cole Camp
		Itta Bena	Sherman	Bolivar	Collins
		Iuka	Shubuta	Bonne Terre	Commerce
		Jonestown	Shuqualak	Boonville	Conway
		Kilmichael	Siddon	Bowling Green	Cooter
		Kosciusko	Silver City	Bragg City	Corder

Missouri

Brandsville
Braymer
Breckenridge
Brimson
Bronaugh
Brookfield
Brookline
Browning
Brownington
Brumley
Brunswick
Bucklin
Buffalo
Bunceton
Bunker
Burgess
Burlington Junction
Butler
Cabool
Cainsville
Caledonia
Calhoun
California
Callao
Camden
Campbell
Canalou
Canton
Cardwell
Carrollton
Cartersville
Carthage
Caruthersville
Carytown
Cassville
Catron
Cedar
Centertown
Centerview
Centerville
Centralia
Chaffee
Chamois
Charlack
Charleston
Chilhowee
Chillicothe
Clarence
Clark
Clarksburg
Clarkton
Clever
Climax Springs
Clinton
Clyde
Cobalt City
Coffey
Cole Camp
Collins
Commerce
Conway
Cooter
Corder

Corning	Gilman City	Lancaster	Neosho	Rush Hill	Theodosia
Cosby	Glasgow	La Plata	Nevada	Russellville	Trenton
Craig	Glenallen	Laredo	Newark	Rutledge	Triplett
Crane	Glenwood	La Russell	Newburg	St Clair	Truesdail
Creighton	Golden City	Latour	New Cambria	St Elizabeth	Tuscumbia
Crocker	Goodman	Leadington	New Florence	St James	Union
Cross Timbers	Graham	Leadwood	New Hampton	St John	Union Star
Crystal City	Granby	Leasburg	New Haven	St Mary's	Unionville
Cuba	Grandin	Lebanon	New Madrid	Salem	Unity Village
Curryville	Grand Pass	Leeton	New Melle	Sarcozie	University City
Dalton	Granger	Leslie	Newtonia	Schell City	Urbana
Darlington	Grant City	Lewistown	Newtown	Scott City	Valley Park
Deepwater	Greencastle	Lexington	Niangua	Sedalia	Van Buren
Delta	Green City	Liberal	Noel	Sedgewickville	Vandalia
Dennis Acres	Greenfield	Licking	Norborne	Seligman	Vanduser
Denver	Green Ridge	Lilbourn	Normandy	Senath	Velda Village
Des Arc	Greentop	Linn	North Lilbourn	Seneca	Verona
Desloge	Greenville	Linn Creek	Northmoor	Seymour	Versailles
De Soto	Guilford	Linneus	North Wardell	Shelbina	Vienna
De Witt	Hale	Lithium	Norwood	Shelbyville	Vinita Park
Dexter	Halfway	Livonia	Novinger	Sheldon	Vista
Diamond	Hamilton	Lock Spring	Oakland Park	Sheridan	Waco
Diehlstadt	Hannibal	Lockwood	Oak Ridge	Sikeston	Wakenda
Diggins	Hardin	Longtown	Olean	Silex	Walker
Dixon	Harris	Louisiana	Oran	Skidmore	Walnut
Doniphan	Hartsburg	Lowry City	Oronogo	Slater	Walnut Grove
Downing	Hartville	Lucerne	Osborn	South Gifford	Wardell
Dudley	Hayti	Ludlow	Osceola	South Gorin	Warrensburg
Eagleville	Hayti Heights	Lupus	Osgood	South Greenfield	Warrenton
East Lynne	Hayward	Luray	Owensville	South Lineville	Warsaw
East Prairie	Hawood City	Lutesville	Pagedale	South West City	Washburn
Edina	Henrietta	McFall	Paris	Sparta	Watson
Eldon	Hermann	Macks Creek	Parma	Spickardsville	Waverly
El Dorado Springs	Higbee	Macon	Parnell	Spring Valley	Wayland
Ellsinore	Hillsdale	Madison	Pascala	Stanberry	Waynesville
Elmer	Hoberg	Malden	Pattonsburg	Stark City	Weaubleau
Elmo	Holcomb	Malta Bend	Paynesville	Steele	Webb City
Elsberry	Holden	Mansfield	Pennerton	Stellville	Wellston
Elvins	Holland	Maplewood	Perry	Stella	Wellsville
Eminence	Holiday	Marble Hill	Perryville	Stewartville	West Line
Eolia	Holt	Marionville	Phillipsburg	Stockton	Westphalia
Essex	Homestown	Marquand	Pickering	Stotesbury	West Plains
Esther	Hopkins	Marshfield	Piedmont	Stotts City	Wheatland
Ethel	Hornersville	Marston	Pierce City	Stoutland	Wheaton
Eugene	Houston	Marthasville	Pilot Knob	Stoutsville	Whiteside
Everton	Houstonia	Martinsburg	Pine Lawn	Stover	Williamsville
Ewing	Howardville	Maryville	Pineville	Strasburg	Willow Springs
Excelsior Springs	Humansville	Matthews	Pocahontas	Sullivan	Wilson City
Exeter	Hume	Maysville	Pollock	Summersville	Winfield
Fairfax	Humphreys	Mayview	Popular Bluff	Sumner	Winona
Fair Grove	Hunnewell	Meadville	Portageville	Sweet Springs	Winston
Fair Play	Huntsville	Memphis	Potosi	Syracuse	Worth
Fairview	Hurdland	Mercer	Powersville	Tallapoosa	Worthington
Fairview Acres	Hurley	Meta	Prairie Home	Taneyville	Wyaconda
Farber	Iberia	Metz	Prathersville	Tarkio	Wyatt
Farmington	Ionia	Mexico	Preston	Thayer	Zalma
Fayette	Irondale	Miami	Purcell		
Festus	Iron Gates	Middletown	Purdin		
Fillmore	Ironton	Midway	Purdy		
Fisk	Jacksonville	Millan	Puxico		
Flat River	Jameson	Millard	Queen City		
Fleming	Jamesport	Miller	Quitman		
Flemington	Jamestown	Mill Spring	Qulin		
Flordell Hills	Jerico Springs	Mindenmines	East Kansas City		
Foley	Jonesburg	Miner	Raymondville		
Fordland	Junction City	Mineral Point	Rayville		
Foristell	Kahoka	Moberly	Rea		
Foster	Kelso	Montgomery City	Reeds		
Frankford	Kennett	Montrose	Reeds Spring		
Franklin	Keytesville	Morehouse	Revere		
Fredericktown	King City	Morley	Richards		
Freeburg	Kingston	Morrison	Rich Hill		
Freistatt	Kinloch	Mosby	Richland		
Fulton	Kirksville	Moscow Mills	Ridgeway		
Gainesville	Knox City	Mound City	Risco		
Galena	Koshkonong	Moundville	Ritchey		
Callatin	La Belle	Mountain Grove	Rivermines		
Calt	Ladonia	Mountain View	Riverview		
Garden City	La Grange	Mount Leonard	Rocheport		
Gasconade	Lakeside	Mount Moriah	Rockville		
Gentry	Lakeview	Mount Vernon	Rogersville		
Gerald	Lamar	Naylor	Rolla		
Gerster	Lambert	Neck City	Roscoe		
Gideon	La Monte	Neelyville	Rosendale		
Gilliam	Lanagan	Nelson			

Montana

Alberton	Geraldine
Anaconda-Deer Lodge	Grass Range
Big Sandy	Hamilton
Boulder	Hardin
Bozeman	Harlem
Bridger	Harlowton
Broadus	Hingham
Broadview	Hobson
Brockton	Hot Springs
Browning	Ismay
Butte-Silver Bow	Joliet
Cascade	Jordan
Chinook	Kalispell
Choteau	Kevin
Circle	Lewistown
Clyde Park	Libby
Columbus	Lima
Darby	Lodge Grass
Deer Lodge	Melstone
Denton	Missoula
Dillon	Neihart
Drummond	Outlook
Dutton	Phillipsburg
Ekalaka	Plains
Eureka	Plevna
Flaxville	Polson
Fromberg	Poplar

Red Lodge
Rexford
Ronan
Roundup
Ryegate
Saco
St Ignatius
Scobey
Shelby
Sheridan
Stevensville
Sunburst
Terry

Thompson Falls
Three Forks
Troy
Twin Bridges
Walkerville
Westby
Whitehall
White Sulphur Sprgs
Wilbax
Winifred
Winnett
Wolf Point

Lushton
Lyman
Lynch
McLean
Madrid
Malmo
Manley
Martinsburg
Maskell
Mason City
Maxwell
Memphis
Merriman
Milford
Miller
Minatare
Mullen
Murdock
Naponee
Nebraska City
Nehawka
Nelson
Nemaha
Nenzel
Newcastle
Newman Grove
Newport
Norman
North Loup
Oak
Oakdale
Oakland
Oconto
Odell
Ohiowa
Ong
Orleans
Osmond
Oxford
Page
Pallisade
Palmer
Palmyra
Pawnee City
Peru
Pilger
Plainview
Plattsmouth
Polk
Potter
Prague
Primrose
Prosser
Ragan
Randolph
Ravenna
Red Cloud
Republican City
Reynolds
Richland
Riverton

Rosalie
Royal
Rulo
Rushville
St Edward
St Paul
Salem
Santee
Sargent
Scotia
Scotts Bluff
Scribner
Seneca
Shelby
Sholes
Silver Creek
Snyder
South Bend
Spalding
Springfield
Staplehurst
Stapleton
Steinauer
Sterling
Stockham
Stockville
Strang
Stratton
Stuart
Superior
Surprise
Table Rock
Tarnov
Tecumseh
Tekamah
Terrytown
Thayer
Thurston
Tilden
Ulysses
Upland
Verdel
Verdigré
Wakefield
Wallace
Walhill
Waterbury
Wauneta
Wausa
Wayne
Western
Weston
Whitney
Wilsonville
Winnebago
Winnetoon
Winside
Wisner
Wisner
Wolbach
Wynot

Hi-Nella
Island Heights
Keansburg
Kearny
Keyport
Lambertville
Laurel Springs
Lawnside
Linden
Magnolia
Merchantville
Mount Ephraim
National Park
North Wildwood
Orange
Paulsboro
Pemberton
Penns Grove
Phillipsburg
Pitman
Plainfield
Pleasantville

Prospect Park
Runnemede
Salem
Seaside Heights
Shiloh
Somerdale
South Amboy
South Toms River
Stratford
Swedesboro
Tuckerton
Union Beach
Victory Gardens
West Cape May
West New York
Westville
West Wildwood
Wildwood
Woodbine
Woodbury
Woodlynn

Nebraska

Abie
Adams
Ainsworth
Albion
Alexandria
Alma
Alvo
Ansley
Arapahoe
Arcadia
Arnold
Arthur
Ashton
Atlanta
Auburn
Ayr
Bancroft
Barada
Barneston
Bayard
Beaver City
Beaver Crossing
Belden
Belgrade
Belvidere
Benkelman
Bennington
Berwyn
Bladen
Bloomington
Blue Hill
Blue Springs
Boys Town
Brady
Brewster
Bristow
Broadwater
Brock
Brownville
Brunswick
Burchard
Burr
Burwell
Bushnell
Butte
Callaway
Campbell
Carleton
Cedar Rapids
Chadron
Chambers
Chappell
Clarks
Clarkson
Clay Center
Clearwater
Cody
Coleridge
Comstock
Concord
Cowles
Crawford
Creighton
Crookston
Culbertson
Curtis
Dannebrog
Dawson
Decatur
Deweese

Diller
Dixon
Du Bois
Dunbar
Dunning
Dwight
Eddyville
Edgar
Elgin
Elk Creek
Ericson
Ewing
Fairbury
Falls City
Farnam
Farwell
Firth
Fordyce
Foster
Gandy
Garland
Genoa
Gilead
Gordon
Grafton
Grant
Greeley Center
Gresham
Guide Rock
Hadar
Haigler
Hardy
Harrison
Harvard
Hastings
Hay Springs
Heartwell
Hendley
Herman
Hershey
Holbrook
Holstein
Howells
Hubbard
Hubbell
Humboldt
Humphrey
Huntley
Hyannis
Imperial
Indianola
Inman
Ithaca
Jackson
Johnson
Johnstown
Julian
Kimball
Laurel
Lawrence
Lebanon
Leigh
Lewellen
Liberty
Linwood
Litchfield
Long Pine
Lorton
Louisville
Loup City

Caliente
Carlin
Ely
Berlin
Audubon
Bellmawr
Beverly
Bradley Beach
Brooklawn
Burlington
Cape May Point
Chesilhurst
Clementon
Collingswood
Dover
East Newark
East Rutherford

Nevada

Fallon
Yerington

New Hampshire

Laconia

New Jersey

Egg Harbor City
Elmer
Englishtown
Fairview
Fieldsboro
Freehold
Garfield
Gibbsboro
Glassboro
Gloucester City
Hackensack
Haledon
Harrison

New Mexico

Artesia
Aztec
Bayard
Belen
Bernalillo
Bloomfield
Capitan
Carlsbad
Carrizozo
Causey
Central
Chama
Cimarron
Clayton
Columbus
Corona
Deming
Des Moines
Dexter
Elida
Encino
Espanola
Estancia
Floyd
Folsom
Fort Sumner
Gallup
Grady
Grenville
Hagerman
House
Hurley
Jemez Springs
Lake Arthur
Las Vegas
Lordsburg
Los Lunas
Loving
Magdalena
Maxwell
Melrose
Mesilla
Milan
Mosquero
Mountainair
Pecos
Portales
Questa
Raton
Reserve
Roy
San Jon
Santa Rosa
San Ysidro
Silver City
Socorro
Springer
Taos
Tatum
Tijeras
Tucumcari
Tularosa
Vaughn
Virden
Wagon Mound
Willard

New York

Adams
Addison
Afton
Akron
Albion
Alden
Alexander
Alexandria Bay
Alfred
Allegany
Almond
Altmar
Amsterdam
Andover
Angelica
Angola
Antwerp
Argyle
Athens
Attica
Auburn
Aurora
Avoca
Avon
Bainbridge
Ballston Spa
Barker
Batavia
Bath
Beacon
Belmont
Blasdell
Bloomingburgh
Bloomingdale
Bolivar
Boonville
Brewster
Bridgewater
Broadalbin
Brockport
Brownville
Brushton
Burdett
Burke
Camden
Camillus
Canajoharie
Canandaigua
Canaseraga
Canastota

Candor	Geneseo	Monticello	Rushville	Biscoe	Greenevers
Canisteo	Geneva	Montour Falls	Sackets Harbor	Black Creek	Grimesland
Canton	Glen Park	Moers	St Johnsville	Bladenboro	Grover
Cape Vincent	Gloversville	Moravia	Salamanca	Bolivia	Halifax
Carthage	Gouverneur	Morris	Salem	Bolton	Hamilton
Cassadaga	Gowanda	Morristown	Saranac lake	Boone	Hamlet
Castile	Granville	Morrisville	Saugerties	Bostic	Harmony
Castleton-on-Hudson	Greene	Mount Morris	Savona	Brevard	Harrells
Castorland	Green Island	Munnsville	Schenevus	Bridgeton	Hassell
Cato	Greenport	Naples	Schoharie	Brookford	Haw River
Catskill	Greenwich	Nassau	Schuylerville	Brunswick	Hayesville
Cattaraugus	Hagaman	Nelliston	Seneca Falls	Bryson City	Hazelwood
Cayuga	Hamilton	Newark	Sharon Springs	Bunn	Henderson
Cazenovia	Hammond	New Berlin	Sherburne	Burgaw	Hendersonville
Celoron	Hammondsport	New Paltz	Sherman	Burnsville	Hertford
Champlain	Hancock	Newport	Sidney	Calabash	Hildebran
Chateaugay	Hannibal	New Square	Silver Creek	Calypso	Hillsborough
Chatham	Harriman	New York Mills	Silver Springs	Cameron	Hobgood
Chaumont	Harrisville	Nichols	Sloan	Carrboro	Hoffman
Cherry Creek	Haverstraw	North Collins	Smyrna	Casar	Holly Ridge
Clayton	Hempstead	North Tonawanda	Sodus	Castalia	Holly Springs
Clayville	Herkimer	Northville	South Dayton	Centerville	Hot Springs
Cleveland	Hermon	Norwich	South Glens Falls	Cerro Gordo	Jackson
Clifton Springs	Herrings	Norwood	Speculator	Chadbourne	Jamesville
Clyde	Heuvelton	Nunda	Spencer	Chocowinity	Jefferson
Cobleskill	Highland Falls	Oakfield	Springville	Clarkton	Jonesville
Cohocton	Hobart	Odessa	Stamford	Clayton	Kelford
Cohoes	Holland Patent	Ogdensburg	Sylvan Beach	Cleveland	Kenansville
Cold Brook	Holley	Olean	Tannersville	Clinton	Kenly
Constableville	Homer	Oneida	Theresa	Clyde	Kings Mountain
Copenhagen	Hoosick Falls	Oneonta	Ticonderoga	Coats	Kinston
Corfu	Hornell	Oriskany	Tivoli	Cofield	Kittrell
Corinth	Horseheads	Oriskany Falls	Tonawanda	Colerain	Lansing
Cortland	Hudson	Oswego	Trumansburg	Columbia	Lasker
Coxsackie	Hudson Falls	Ovid	Tupper Lake	Como	Lattimore
Croghan	Hunter	Owego	Turin	Conetoe	Laurinburg
Cuba	Ilion	Oxford	Union Springs	Conway	Lawndale
Dannemora	Interlaken	Parish	Unionville	Cove City	Leggett
Dansville	Island Park	Patchogue	Valley Falls	Cramerton	Lenoir
Deferiet	Ithaca	Peekskill	Van Etten	Creswell	Lewiston
Delanson	Jamestown	Penn Yan	Victory	Dallas	Lexington
Delevan	Jeffersonville	Perry	Waddington	Davidson	Liberty
Delhi	Johnson City	Perrysburg	Walden	Denton	Lilesville
Depew	Johnstown	Philadelphia	Walton	Dillsboro	Lillington
Deposit	Jordan	Philmont	Wampsville	Dobson	Lincolnton
De Ruyter	Keeseville	Phoenix	Wappingers Falls	Dortches	Linden
Dexter	Kingston	Pike	Warsaw	Dover	Littleton
Dolgeville	Kiryas Joel	Pine Hill	Waterford	Dublin	Louisburg
Dresden	Lackawanna	Plattsburgh	Waterloo	Dunn	Love Valley
Dryden	Lacona	Poland	Watertown	Earl	Lowell
Dundee	Lake George	Port Byron	Waterville	East Arcadia	Lumber Bridge
Dunkirk	Lake Placid	Port Chester	Watervliet	East Laurinburg	Lumberton
Earlville	Lancaster	Port Henry	Watkins Glen	East Spencer	Macdenville
East Aurora	Laurens	Port Jervis	Waverly	Eden	Macclesfield
East Randolph	Le Roy	Port Leyden	Wayland	Edenton	McDonald
East Syracuse	Liberty	Portville	Weedsport	Elizabeth City	McFarlan
Edwards	Limestone	Potsdam	Wellsburg	Elizabethtown	Macon
Elba	Lisle	Pulaski	Wellsville	Elkin	Madison
Ellenville	Little Falls	Randolph	West Carthage	Elk Park	Magnolia
Ellicottville	Little Valley	Red Creek	Westfield	Ellenboro	Marion
Ellisburg	Livonia	Red Hook	Westport	Ellerbe	Marshall
Elmira Heights	Lockport	Rensselaer	West Winfield	Elm City	Marshville
Endicott	Lodi	Rensselaer Falls	Whitehall	Enfield	Maxton
Esperance	Long Beach	Richfield Springs	Whitesboro	Erwin	Mayodan
Evans Mills	Lowville	Richmondville	Wilson	Eureka	Maysville
Fabius	Lyons	Richville	Wolcott	Everetts	Mebane
Fair Haven	Lyons Falls	Riverside	Woodhull	Fair Bluff	Micro
Falconer	Mcgraw	Round Lake	Woodridge	Fairmont	Middleburg
Farnham	Malone	Rouses Point	Yorkville	Faison	Middlesex
Fillmore	Mannsville			Falcon	Milton
Fleischmanns	Marathon			Falkland	Mocksville
Fonda	Marcellus	Ahoski		Farmville	Monroe
Fort Ann	Margaretville	Alamance	Bailey	Forest City	Mooresboro
Fort Edward	Massena	Alexander Mills	Bakersville	Fountain	Mooresville
Fort Johnson	Mayfield	Alliance	Bath	Four Oaks	Morehead City
Fort Plain	Mechanicville	Andrews	Battleboro	Franklinton	Morganton
Frankfort	Medina	Angier	Beaufort	Fremont	Morven
Franklin	Meridian	Ansonville	Beech Mountain	Fuquay-Varina	Mount Airy
Franklinville	Middleburgh	Arapahoe	Belhaven	Garland	Mount Gilead
Fredonia	Middleport	Askewville	Belmont	Garysburg	Mount Holly
Freeport	Middleville	Atkinson	Belwood	Gaston	Mount Olive
Freeville	Milford	Aulander	Benson	Gibson	Murfreesboro
Fulton	Millerton	Aurora	Besemer City	Glen Alpine	Murphy
Fultonville	Millport	Autryville	Bethel	Goldsboro	Nashville
Galway	Mohawk	Ayden	Beulaville	Granite Falls	Navassa

North Carolina

New Bern	Severn	Drayton	Martin	Bayview	Congress
Newland	Shallotte	Dunseith	Max	Beach City	Conneaut
New London	Sharpsburg	Edgeley	Maxbass	Beallsville	Continental
Newton	Shelby	Edinburg	Mayville	Beaver	Coolville
Norlina	Siler City	Edmore	Medina	Beaverdam	Corning
Norman	Simpson	Elgin	Milton	Bellaire	Corwin
North Wilkesboro	Sims	Ellendale	Minto	Belle Center	Coshocton
Norwood	Smithfield	Elliott	Manango	Bellefontaine	Covington
Oak City	Snow Hill	Esmond	Montpelier	Belle Valley	Craig Beach
Old Fort	Southport	Fairdale	Mott	Bellville	Crestline
Orrum	Speed	Fessenden	Napoleon	Belmont	Crooksville
Oxford	Spindale	Flasher	Necher	Belmore	Crown City
Parkton	Spring Hope	Flaxton	Newburg	Belpre	Cumberland
Parmele	Spring Lake	Forbes	New England	Bergholz	Custar
Peachland	Spruce Pine	Fordville	New Leipzig	Bethel	Danville
Pembroke	Staley	Forest River	New Town	Bethesda	Darbyville
Pilot Mountain	Stanfield	Fort Ransom	Nome	Bettsville	Deersville
Pine Level	Stantonsburg	Fortuna	Noonan	Beverly	De Graff
Pinetops	Star	Fort Yates	Oberon	Blakeslee	Dellroy
Pineville	Statesville	Fredonia	Park River	Bloomdale	Delphos
Pink Hill	Stedman	Gardena	Parshall	Blommingsburg	Dennison
Pittsboro	Stoneville	Golva	Pekin	Bloomington	Deshler
Plymouth	Stonewall	Goodrich	Petersburg	Bloomville	Dexter City
Polkton	Sunset Beach	Grafton	Pettibone	Bowerston	Dillonvale
Polkville	Sylva	Granville	Pingree	Bowersville	Donnelsville
Pollocksville	Tabor City	Great Bend	Pisek	Bradford	Dover
Powellsville	Tarboro	Grenora	Plaza	Bradner	Dresden
Princeton	Tar Hell	Hague	Portal	Brady Lake	Dunkirk
Princeville	Taylorville	Hamburg	Powers Lake	Bremen	Dupont
Proctorville	Teachey	Hankinson	Reeder	Brewster	East Cleveland
Randleman	Thomasville	Hannah	Regan	Brice	East Liverpool
Ranlo	Trenton	Hansboro	Robinson	Bridgeport	East Palestine
Raynham	Troy	Harvey	Rolette	Brilliant	Eaton
Red Oak	Tryon	Hatton	Rolla	Brookville	Edgerton
Red Springs	Turkey	Havana	Ryder	Broughton	Edison
Reidsville	Valdese	Hazelton	St. John	Buchtel	Edon
Rennert	Vanceboro	Hebron	Sanborn	Buckeye	Elgin
Rhodhiss	Vandemere	Hoople	Sarles	Buckland	Elmwood Place
Richlands	Vass	Hope	Selfridge	Bucyrus	Empire
Rich Square	Waco	Hurdsfield	Sheldon	Burgoon	Fairborn
Roanoke Rapids	Wade	Inkster	Sheyenne	Butler	Fairport Harbor
Robbins	Wadesboro	Jud	Solen	Byesville	Fairview
Robbinsville	Wagram	Karlsruhe	Souris	Cadiz	Fayette
Robersonville	Wake Forest	Kathryn	Starkweather	Cairo	Fayetteville
Rockingham	Wallace	Kenmare	Strasburg	Caldwell	Felicity
Rocky Mount	Walnut Cove	Kensal	Streeter	Caledonia	Fletcher
Ronda	Walstonburg	Kief	Sykeston	Cambridge	Flushing
Roper	Warrenton	Kramer	Tappen	Camden	Forest
Roseboro	Warsaw	Kulm	Taylor City	Campbell	Fort Recovery
Rose Hill	Washington	Lakota	Tolley	Cardington	Fostoria
Rosman	Waynesville	Landa	Towner	Carey	Franklin
Rowland	Weldon	Lawton	Turtle Lake	Carrollton	Frazeysburg
Roxboro	West Jefferson	Leal	Tuttle	Casstown	Fredericksburg
Roxobel	Whitakers	Lehr	Upham	Castine	Fredericktown
Ruth	Whiteville	Leith	Valley City	Catawba	Freeport
Rutherfordton	Williamston	Leonard	Velva	Cecil	Fremont
St Pauls	Wilson	Lidgerwood	Verona	Cedarville	Fulton
Saluda	Windsor	Lignite	Walhalla	Celina	Fultonham
Sanford	Winfall	Linton	White Earth	Centerburg	Galion
Saratoga	Winton	Loma	Willow City	Centerville	Gallipolis
Scotland Neck	Woodland	McClusky	Wilton	Chatfield	Gann
Seaboard	Youngsville	McVie	Wimbledon	Chauncey	Geneva
Seven Springs	Zebulon	Makoti	Wing	Cherry Fork	Geneva-on-the-Lake
		Mantador	Wishek	Chesapeake	Georgetown
		Manvel	York	Cheshire	Gettysburg
		Marmarth	Zeeland	Chesterhill	Gibsonburg
				Chesterville	Girard
				Chillicothe	Glenford
				Chilo	Glenmont
				Christiansburg	Glouster
				Circleville	Gordon
				Clarington	Grand Rapids
				Clarksburg	Granville
				Clarksville	Gratiot
				Clay Center	Gratis
				Clifton	Graysville
				Clinton	Green Camp
				Cloverdale	Greenfield
				Clyde	Greenville
				Coal Grove	Greenwich
				Coalton	Grover Hill
				College Corner	Hamden
				Columbus Grove	Hamsersville
				Commercial Point	Hanging Rock
				Conesville	Hanoverton

North Dakota

Abercrombie	Brinsmade
Adams	Butte
Alamo	Buxton
Alexander	Calio
Alice	Cando
Almont	Carson
Ambrose	Cathay
Amenia	Clifford
Amidon	Cogswell
Anamoose	Columbus
Aneta	Cooperstown
Arnegard	Courtenay
Ashley	Crosby
Barton	Crystal
Bathgate	Dawson
Beach	Deering
Berlin	Dickey City
Bowbells	Donnybrook
Bowdon	Douglas
Braddock	Drake

Ohio

Antioch	Antwerp
Apple Creek	Arcadia
Arcanum	Arlington Heights
Ashland	Ashtabula
Athalia	Athens
Attica	Bainbridge
Bairdstown	Barnesville
Barnhill	Batavia
Batesville	Batesville

Harbor View	Malvern	Otway	Somerville	Oklahoma
Harpster	Manchester	Owensville	South Charleston	Davenport
Harrisburg	Mantua	Oxford	South Lebanon	Davidson
Harrisville	Marengo	Painesville	South Salem	Adair
Harrod	Marion	Palestine	South Solon	Afton
Hartford	Marseilles	Paulding	South Vienna	Agra
Hartville	Martinsburg	Peebles	South Webster	Albion
Harveysburg	Martins Ferry	Pemberville	South Zanesville	Alderson
Haviland	Martinsville	Perrysville	Sparta	Allen
Hebron	Marysville	Philo	Spencerville	Altus
Hemlock	Matamora	Piketon	Spring Valley	Anadarko
Hicksville	Mechanicsburg	Pioneer	Stafford	Antlers
Higginsport	Melrose	Piqua	Stockport	Apache
Highland	Mendon	Pittsburg	Stone Creek	Arkoma
Hillsboro	Middle Point	Plain City	Stoutsville	Asher
Hiram	Middleport	Pleasant City	Strasburg	Ashland
Holgate	Midland	Pleasant Hill	Stratton	Atoka
Holland	Midvale	Pleasant Plain	Struthers	Avant
Hollansburg	Mifflin	Plymouth	Sugarcreek	Avard
Holloway	Milford Center	Polk	Summerfield	Barnsdall
Hopedale	Milledgeville	Pomeroy	Sycamore	Bearden
Hoytville	Millersburg	Portage	Syracuse	Beggs
Hubbard	Milton Center	Port Clinton	Tarleton	Bennington
Huntsville	Miltonsburg	Port Jefferson	Tiffin	Big Cabin
Irondale	Mineral City	Portsmouth	Tiltonsville	Billings
Itonton	Minerva	Port Washington	Tiro	Binger
Ithaca	Monroeville	Port William	Toronto	Blackwell
Jackson	Montezuma	Potsdam	Tremont City	Blair
Jacksonburg	Montpelier	Powhatan Point	Trimble	Boise City
Jackson Center	Morrill	Proctorville	Troy	Bokchito
Jamestown	Morristown	Put-in-Bay	Tuscarawas	Bokoshe
Jefferson	Morrow	Quaker City	Uhrichsville	Boley
Jeffersonville	Moscow	Quincy	Union City	Boswell
Jerry City	Mount Cory	Racine	Unionville Center	Bowlegs
Jewett	Mount Gilead	Rarden	Unioptis	Boynton
Junction City	Mount Orab	Ravenna	Upper Sandusky	Bradley
Kelleys Island	Mount Pleasant	Rayland	Urbana	Briggs
Kenton	Mount Vernon	Rendville	Urbancrest	Braman
Kettlersville	Mount Victory	Republic	Utica	Bridgeport
Kimbolton	Mowrystown	Richmond	Valley Hi	Bristow
Kingston	Murray City	Richwood	Vanlue	Bromide
Kipton	Nashville	Ridgeway	Van Wert	Brooksville
Kirby	Navarre	Rio Grande	Venedocia	Bryant
Kirkersville	Nellie	Ripley	Verona	Burbank
Lafayette	Nelsonville	Rising Sun	Versailles	Burlington
Lagrange	Nevada	Rittman	Vinton	Butler
Lakemore	Neville	Rochester	Wakeman	Byars
Lakeview	New Alexandria	Rock Creek	Wapakoneta	Byron
La Rue	New Athens	Rocky Ridge	Warsaw	Caddo
Latty	New Bavaria	Rogers	Washington	Calvin
Laura	New Bloomington	Rome	Wauseon	Camargo
Laurelville	New Boston	Roseville	Waverly	Cameron
Lawrenceville	Newcomerstown	Rosburg	Wayne	Canadian
Leesburg	New Concord	Roswell	Waynesburg	Caney
Leetonia	New Holland	Rushsylvania	Waynesfield	Canton
Leipsic	New Lexington	Russells Point	Waynesville	Capron
Lewisburg	New London	Russellville	Wellington	Carmen
Lewisville	New Miami	Rutland	Wellston	Carnegie
Lewisville	New Paris	Sabina	Wellsville	Carney
Liberty Center	New Richmond	St Bernard	West Alexandria	Carrier
Limaville	New Riegel	St Louisville	West Elkton	Carter
Lincoln Heights	New Straitsville	St Martin	West Farmington	Castle
Lindale	Newton Falls	St Mary's	West Lafayette	Cement
Lisbon	Newtownsville	St Paris	West Leipsic	Centrahoma
Lockbourne	Newtown	Salem	West Manchester	Chandler
Lockington	New Washington	Salesville	West Mansfield	Checotah
Lockland	New Waterford	Salineville	West Millgrove	Chelsea
Logan	North Baltimore	Sandusky	Weston	Cheyenne
Louisville	North Fairfield	Sarahsville	West Rushville	Clayton
Lowell	North Hampton	Sardinia	West Union	Cleveland
Lowellville	North Robinson	Savannah	Wharton	Coalgate
Lower Salem	North Star	Scio	Wilkesville	Collinsville
Lucas	Norwich	Scott	Willard	Comanche
Ludlow Falls	Norwood	Seaman	Williamsburg	Commerce
Lynchburg	Oak Hill	Sebring	Williamsport	Cornish
Lyons	Oakwood	Seneca	Willshire	Council Hill
McArthur	Oberlin	Shawnee	Wilmot	Coweta
McClure	Ohio City	Shawnee Hills	Winchester	Cowlington
McConnelsville	Old Washington	Shelby	Windham	Coyle
McGuffey	Orangeville	Sherrods	Woodlawn	Cromwell
Macksburg	Orient	Shiloh	Woodsfield	Crowder
Magnetic Springs	Orrville	Shreve	Wren	Custer City
Maineville	Orwell	Sidney	Yellow Springs	Cyril
Malinta	Ostrander	Siverton	Yorkville	Dacoma
Malta	Ottoville	Sinking Spring	Zaleski	
		Smithfield	Zanesfield	
		Somerset	Zanesville	

Kendrick	Prague	Welch	Wilson	Beallsville	Cochran
Kenefic	Purcell	Weleetka	Wister	Bear Lake	Collingdale
Keota	Putnam	Wellston	Woodville	Beaver Falls	Columbia
Ketchum	Quapaw	Westville	Wright City	Beaver Meadows	Colwyn
Kinta	Quay	Wewoka	Wyandotte	Bedford	Confluence
Kiowa	Quinlan	Wetumka	Wynnewood	Bellefonte	Conneaut Lake
Knowles	Quinton	Whitefield	Yale	Belle Vernon	Conneautville
Konawa	Ralston	Wilburton	Yeager	Bellevue	Connellsville
Krebs	Ramona	Willow		Bellwood	Conshohocken
Lamar	Randlett			Benson	Coraopolis
Lamont	Rattan		Oregon	Bentleyville	Corry
Langley	Redbird			Benton	Corsica
Langston	Red Oak	Adams	Lowell	Berlin	Coudersport
Le Flore	Red Rock	Amity	Malin	Bernville	Courtale
Lehigh	Rentiesville	Ashland	Maupin	Berrysburg	Crafton
Lenapah	Ringling	Astoria	Merrill	Berwick	Cranesville
Leon	Ripley	Athena	Mill City	Bessemer	Creekside
Lexington	Roff	Baker	Milton Freewater	Big Run	Cresson
Lima	Rosedale	Banks	Mitchell	Birmingham	Cressona
Lindsay	Rush Springs	Bay City	Monmouth	Blain	Cross Roads
Loco	Ryan	Bonanza	Monroe	Blairsville	Curwensville
Lone Wolf	St. Louis	Brownsville	Monument	Blakely	Dale
Longdale	Salina	Butte Falls	Mosier	Blawnox	Dallastown
Lookeba	Sapulpa	Cannon Beach	Mount Angel	Blooming Valley	Danville
Luther	Sasakwa	Canyonville	Mt Vernon	Bloomsburg	Darby
McAlester	Savanna	Carlton	Myrtle Point	Blossburg	Darlington
McBride	Sayre	Cave Junction	North Powder	Boswell	Dawson
McCurtain	Seiling	Chiloquin	Nyssa	Bowmanstown	Dayton
Madill	Seminole	City of the Dalles	Oakland	Brackenridge	Deemston
Manchester	Sentinel	Coburg	Paisley	Braddock	Delaware Water Gap
Mangum	Shamrock	Condon	Port Orford	Bradford	Delmont
Manitou	Sharon	Coos Bay	Powers	Briar Creek	Delta
Mannsville	Shidler	Coquille	Prairie City	Bridgeport	Derry
Maramec	Skedee	Cottage Grove	Prescott	Bridgewater	Dickson City
Marble City	Skiatook	Cove	Rainier	Bristol	Donegal
Marietta	Slick	Creswell	Redmond	Broad Top City	Donora
Marland	Smith Village	Dallas	Richland	Brockway	Driftwood
Marlow	Smithville	Dayton	Riddle	Brookville	Du Bois
Marshall	Snyder	Dayville	Rockaway	Brownsville	Duboisstown
Martha	Soper	Drain	Rogue River	Burgettstown	Dudley
Maud	Spavinaw	Echo	St Helens	Burnham	Dunbar
May	Sperry	Elgin	Scio	Burnside	Duncansville
Maysville	Spiro	Elkton	Scotts Mills	Butler	Dunmore
Medicine Park	Stidham	Enterprise	Seaside	California	Dupont
Meridian	Stigler	Falls City	Seneca	Callensburg	Duquesne
Miami	Stillwell	Forence	Shady Cove	Callery	Duryea
Milburn	Stonewall	Fossil	Shaniko	Cambridge Springs	Dushore
Mill Creek	Strang	Garibaldi	Sheridan	Canonsburg	East Bangor
Moffett	Stringtown	Gaston	Sisters	Canton	East Brady
Morris	Stroud	Gearhart	Sodaville	Carbondale	East Conemaugh
Mountain Park	Stuart	Gervais	Spray	Carmichaels	East Lansdowne
Mountain View	Sulphur	Glendale	Stanfield	Carnegie	East McKeesport
Mulhall	Taft	Gold Hill	Sutherland	Carrolltown	East Pittsburgh
Mushall	Talihina	Grants Pass	Sweet Home	Cassandra	East Rochester
Muskogee	Tamaha	Grass Valley	Talent	Casselman	East Side
Nash	Tatums	Haines	Tangent	Cassville	East Stroudsburg
Nicoma Park	Temple	Halfway	Tillamook	Catasauqua	Eastvale
Norge	Terlton	Halsey	Union	Catawissa	East Vandergrift
North Miami	Terral	Hammond	Unity	Centerville	Eau Claire
Nowata	Texhoma	Hood River	Vale	Centerville	Edinboro
Oakland	Texola	Huntington	Vernonia	Central City	Edwardsville
Oaks	Tipton	Idanha	Wallowa	Centralia	Ehrensburg
Oakwood	Tishomingo	Imbler	Warrenton	Centre Hall	Elco
Oilton	Tryon	Joseph	Wasco	Chalfant	Elderton
Okeene	Tullahassee	Junction City	Weston	Chambersburg	Eldred
Okemah	Tupelo	Klamath Falls	Wheeler	Charleroi	Elgin
Okmulgee	Valley Brook	La Grande	Winston	Cherry Valley	Elizabeth
Oktaha	Vera	Lebanon	Yachats	Chester Hill	Elizabethville
Olustee	Vian	Lincoln City	Yamhill	Chest Springs	Elkland
Osage	Vinita	Long Creek	Yoncalla	Clairton	Ellport
Paden	Wagoner			Clarendon	Ellwood City
Panama	Wainwright		Pennsylvania	Clarion	Emmorton
Paoli	Wakita	Adamsburg	Ashville	Clarks Summit	Emporium
Pauls Valley	Walters	Addison	Athens	Clarksville	Enon Valley
Pawhuska	Wanette	Albion	Atwood	Claysville	Ernest
Pawnee	Wann	Alexandria	Auburn	Clearfield	Etna
Peoria	Wapanucka	Aliquippa	Austin	Clifton Heights	Everett
Perry	Warwick	Ambridge	Avis	Clintonville	Everson
Phillips	Washington	Apollo	Avoca	Clymer	Exeter
Picher	Watts	Applewood	Avondale	Coal Center	Export
Pittsburg	Waurika	Archbald	Avonmore	Coaldale	Factoryville
Pond Creek	Wayne	Arnold	Baden	Coaldale	Fairchance
Porter	Waynoka	Arona	Bangor	Coalmont	Falls Creek
Porum	Webb City	Ashland	Barkeyville	Coalport	Fallston
Poteau	Webbers Falls	Ashley	Barnesboro	Coatesville	Farrell

Fayette City	Koppel	Montgomery	Plymouth	Southwest Greensburg	Volant
Ferndale	Kulpmont	Montrose	Point Marion	South Williamsport	Wall
Flemington	Kutztown	Morrisville	Polk	Spangler	Wallacetown
Ford City	Lake City	Morton	Portage	Spartansburg	Walnutport
Ford Cliff	Landingville	Mount Carbon	Port Allegany	Springboro	Wampum
Forest City	Landisburg	Mount Carmel	Port Carbon	Starrucca	Warren
Forksville	Lanesboro	Mount Jewett	Port Clinton	Stillwater	Warrior Run
Forty Fort	Lansford	Mount Oliver	Portersville	Stockdale	Washington
Fountain Hill	Larksville	Mount Pleasant	Portland	Stoneboro	Waterford
Franklin	Lawrenceville	Mount Pocono	Port Matilda	Stoystown	Watsonstown
Franklintown	Leechburg	Mount Union	Port Royal	Strattanville	Wattsburg
Fredonia	Leetsdale	Muncy	Port Vue	Strausstown	Waynesboro
Freeburg	Leighton	Munhall	Pottstown	Stroudsburg	Waynesburg
Freedom	Le Raysville	Myerstown	Pottsville	Sugar Creek	Weissport
Freeland	Lewisberry	Nanticoke	Pringle	Sugar Grove	Wellerburg
Freemansburg	Lewisburg	Nanty Glo	Prospect Park	Sugar Notch	Wellsboro
Freeport	Lewis Run	Nescopeck	Punxsutawney	Summerville	Wellsville
Galeton	Lewistown	Nesquehoning	Railroad	Summit Hill	Wesleyville
Gallitzin	Liberty	New Albany	Rainsburg	Sunbury	West Alexander
Garrett	Ligonier	New Alexandria	Ramey	Susquehanna Depot	West Brownsville
Georgetown	Linesville	New Berlin	Rankin	Suterville	West Chester
Gettysburg	Littlestown	New Brighton	Red Lion	Swissvale	West Easton
Gilberton	Liverpool	Newburg	Renovo	Swoyersville	West Elizabeth
Girard	Lock Haven	New Castle	Reynoldsville	Sykesville	West Fairview
Girardville	Loganton	New Centerville	Rices Landing	Sylvania	Westfield
Glasgow	Lorain	New Columbus	Ridgway	Tamaqua	West Grove
Glassport	Loretto	Newell	Rimersburg	Tarentum	West Hazelton
Glen Campbell	Lumber City	New Florence	Ringtown	Taylor	West Homestead
Glendon	Luzerne	New Galilee	Roaring Spring	Thompson	West Leechburg
Glenfield	Lykens	New Hope	Rochester	Thompsonstown	West Mayfield
Glen Hope	Lyons	New Kensington	Rockhill Furnace	Three Springs	West Middlesex
Glen Rock	McAdoo	New Lebanon	Rockwood	Throop	West Newton
Gordon	McClure	New Milford	Rome	Tididute	Westover
Grampian	McConnellsburg	New Paris	Roseville	Timblin	West Pittston
Great Bend	McDonald	New Phila	Rouseville	Tioga	West Reading
Greensboro	McEwensville	Newport	Royalton	Tionesta	West Wyoming
Greensburg	McKean	New Ringgold	Saegertown	Titusville	West York
Greenville	McKees Rocks	Newry	St Clair	Towanda	White Haven
Grove City	McSherrystown	Newton Hamilton	St Clairsville	Tower City	Wilkinsburg
Halifax	McVeytown	Newville	St Petersburg	Tremont	Williamsburg
Hallstead	Mahaffey	Nicholson	Salisbury	Troy	Wilmerding
Hamburg	Mahanoy City	North Apollo	Salladasburg	Trumbauersville	Wilmore
Hartleton	Manchester	North Braddock	Saltito	Tunkhannock	Wilson
Harveys Lake	Manns Choice	North Catasauqua	Saltsburg	Turbotville	Windber
Hastings	Manor	North Charleroi	Sandy Lake	Turtle Creek	Wind Gap
Hawley	Manorville	North East	Sankertown	Tyrone	Windsor
Hawthorne	Mansfield	North Irwin	Saxton	Ulysses	Winterstown
Haysville	Mapleton	Northumberland	Sayre	Union City	Woodbury
Heidelberg	Marcus Hook	North York	Scalp Level	Union Dale	Worthington
Herdon	Marianna	Norwood	Schellsburg	Uniontown	Worthville
Holidaysburg	Marion Center	Nuangola	Schuykill Haven	Unionville	Wyalsburg
Homestead	Marion Heights	Oakland	Scottsdale	Upland	Wyoming
Honesdale	Marklesburg	Oakmont	Seward	Ursina	Yeadon
Hookstown	Markleysburg	Ohio	Sewickley	Valencia	York Haven
Hooversville	Mars	Oil City	Shade Gap	Vanderbilt	Youngstown
Hop Bottom	Martinsburg	Oklahoma	Shamokin	Vandergrift	Youngsville
Hopewell	Masonstown	Old Forge	Shanksville	Vandling	Youngwood
Houston	Matamoras	Olyphant	Sharon Hill	Verona	Zelienople
Houtzdale	Mayfield	Orangeville	Sharpsburg	Vintondale	
Hughesville	Meadville	Orbisonia	Sharpville		
Huntingdon	Mechanicsville	Orrstown	Sheakleyville		
Hyde Park	Mercer	Osceola Mills	Shenandoah		
Hydetown	Mercersburg	Oswayo	Shickshinny		
Hyndman	Meshoppen	Oxford	Shinglehouse		
Indiana	Meyersdale	Paint	Shippensburg		
Ingram	Middleburg	Palmerton	Shipperville		
Irvona	Middleport	Palo Alto	Shippingport		
Jackson Center	Midland	Parker	Shirleyburg		
Jamestown	Mifflin	Parkersburg	Silverdale		
Jeannette	Mifflinburg	Parryville	Slattington		
Jeddo	Mifflintown	Patterson Heights	Sligo		
Jefferson	Milford	Patton	Slippery Rock		
Jermyn	Millbourne	Pen Argyl	Smethport		
Jersey Shore	Mill Creek	Penn	Smithfield		
Jessup	Millersburg	Petersburg	Smithton		
Jim Thorpe	Millersville	Petrolia	Snow Shoe		
Johnsonburg	Mill Hall	Philipsburg	South Bethlehem		
Jonestown	Millheim	Phoenixville	South Coatsville		
Juniata Terrace	Millvale	Pine Grove	South Connellsville		
Kane	Milton	Pitcairn	South Fork		
Kingston	Minersville	Pittston	South Greensburg		
Kistler	Modena	Platea	South New Castle		
Kittanning	Monessen	Pleasantville	South Philipsburg		
Knox	Monongahela	Pleasantville	South Renovo		
Knoxville	Monroe	Plumville	South Waverly		

Rhode Island

Central Falls Newport

South Carolina

Abbeville	Brunson
Allendale	Burnettown
Andrews	Calhoun Falls
Atlantic Beach	Camden
Bamberg	Cameron
Barnwell	Campobello
Batesburg	Carlisle
Belton	Central
Bennettville	Central Pacolet
Bethune	Chappells
Bishopville	Cheraw
Blacksburg	Chesnee
Blackville	Chester
Blenheim	Chesterfield
Bluffton	City View
Blythewood	Clinton
Bowman	Clio
Branchville	Clover

Cope	Mount Carmel	Ashton	Huron	Twin Brooks	Wessington
Cottageville	Mount Croghan	Astoria	Interior	Tyndall	Wessington Springs
Coward	Mullins	Avon	Ipswich	Utica	Westport
Cowpens	Neeses	Baltic	Iroquois	Veblen	White
Cross Hill	Newberry	Bancroft	Isabel	Vermillion	White Lake
Darlington	Nichols	Batesland	Java	Viborg	White River
Denmark	Ninety Six	Belle Fourche	Jefferson	Vienna	Whitewood
Dillon	North	Belvidere	Kimball	Virgil	Willow Lake
Donalds	Norway	Blunt	Kranzburg	Volin	Wilmot
Due West	Olanta	Bonesteel	Lake Andes	Wagner	Winfred
Duncan	Olar	Bowdle	Lake City	Wakonda	Winner
Edgefield	Orangeburg	Bradley	Lake Norden	Wall	Wolsey
Ehrhardt	Pacolet Mills	Brandt	Lake Preston	Wallace	Wood
Elko	Pageland	Brentford	Lane	Ward	Woonsocket
Elloree	Pamplico	Bridgewater	Langford	Wasta	Worthing
Estill	Parksville	Bristol	Lemmon	Waubay	Yale
Eutawville	Patrick	Britton	Leola	Wentworth	Yankton
Fairfax	Paxville	Broadland	Lesterville		
Fort Lawn	Peak	Brookings	Letcher		
Fort Mill	Pendleton	Bryant	Long Lake		
Furman	Perry	Buffalo	McIntosh	Adams	Elizabethton
Gaffney	Pickens	Buffalo Gap	McLaughlin	Adamsville	Elkton
Georgetown	Pinewood	Burke	Madison	Alamo	Englewood
Gifford	Plum Branch	Camp Crook	Marion	Alcoa	Enville
Gilbert	Pomaria	Canistota	Martin	Alexandria	Erin
Gován	Ravenel	Canova	Marvin	Algood	Erwin
Gray Court	Reevesville	Carthage	Mellette	Allardt	Estill Springs
Great Falls	Richburg	Castlewood	Menno	Altamont	Ethridge
Greeleyville	Ridgeland	Centerville	Midland	Arlington	Etowah
Greenwood	Ridge Spring	Chamberlain	Miller	Athens	Fayetteville
Greer	Ridgeville	Claire City	Mission	Atoka	Finger
Hampton	Rowesville	Claremont	Mission Hill	Auburntown	Friendship
Hardeeville	Ruby	Clark	Mitchell	Baileytown	Friendsville
Harleyville	St George	Clear Lake	Mobridge	Baxter	Gainesboro
Hartsville	St Matthews	Colome	Montrose	Beersheba Springs	Gallaway
Heath Springs	St Stephen	Colton	Morristown	Bell Buckle	Garland
Hickory Grove	Salem	Columbia	Mount Vernon	Bells	Gates
Hilda	Salley	Conde	Murdo	Benton	Gibson
Hodges	Saluda	Corona	Naples	Bethel Springs	Gilt Edge
Holly Hill	Scranton	Custer	New Effington	Big Sandy	Gleason
Hollywood	Sellers	Dallas	Newell	Bluff City	Grand Junction
Inman	Seneca	Dante	New Underwood	Bolivar	Graysville
Iva	Snelling	Davis	New Witten	Bradford	Greenback
Jamestown	Society Hill	Deadwood	Nunda	Brighton	Greeneville
Jefferson	Springfield	Delmont	Oacoma	Brownsville	Greenfield
Johnsonville	Starr	De Smet	Oldham	Bruceton	Gruetti-Laager
Johnston	Summerton	Dolton	Olivet	Bulls Gap	Halls
Jonesville	Sumter	Draper	Orient	Burlison	Harriman
Kershaw	Swansea	Dupree	Ortleigh	Byrdstown	Hartsville
Kingstree	Sycamore	Eagle Butte	Parker	Calhoun	Henderson
Kline	Tatum	Eden	Parkston	Carthage	Henning
Lake City	Timmons ville	Egan	Peever	Caryville	Henry
Lake View	Trenton	Elkton	Pierpont	Celina	Hickory Valley
Lamar	Troy	Emery	Platte	Centertown	Hohenwald
Lancaster	Turbeville	Erwin	Pollock	Centerville	Hollow Rock
Lane	Ulmer	Ethan	Prescho	Chapel Hill	Hornbeak
Latta	Union	Eureka	Pringle	Charleston	Hornsby
Laurens	Vance	Fairburn	Pukwana	Charlotte	Humboldt
Leesville	Varnville	Fairfax	Quinn	Cleveland	Huntingdon
Liberty	Wagener	Faith	Ravinia	Clifton	Huntland
Livingston	Walhalla	Faulkton	Reliance	Coalmont	Huntsville
Lockhart	Walterboro	Frankfort	Revillo	Collinwood	Iron City
Lodge	Ward	Frederick	Rockham	Cookeville	Jacksboro
Loris	Ware Shoals	Garden City	Roscoe	Copperhill	Jamestown
Lowndesville	Waterloo	Gary	St Francis	Cornersville	Jasper
Lowrys	Westminster	Geddes	St Lawrence	Cottage Grove	Jefferson City
Luray	West Union	Gettysburg	Scotland	Covington	Jellico
Lyman	Whitmire	Glenham	Selby	Cowan	Jonesboro
Lynchburg	Williams	Goodwin	Seneca	Crab Orchard	Kenton
McBee	Williamston	Gregory	Sherman	Crossville	Kimball
McColl	Williston	Grenville	Sisseton	Cumberland City	Lafayette
McConnells	Windsor	Hayti	South Shore	Cumberland Gap	La Follette
McCormick	Winnsboro	Hazel	Spearfish	Dayton	La Grange
Manning	Woodford	Hermosa	Spencer	Decatur	Lake City
Marion	Woodruff	Herreid	Springfield	Decaturville	Lawrenceburg
Mayesville	Woodside	Herrick	Stickney	Decherd	Lebanon
Megget	Yemassee	Hetland	Stockholm	Denmark	Lenoir City
Monetta	York	Highmore	Summit	Dickson	Lewisburg
		Hill City	Tabor	Dover	Lexington
		Hitchcock	Timber Lake	Dowelltown	Liberty
		Hosmer	Tolstoy	Doyle	Linden
		Hot Springs	Toronto	Dresden	Livingston
		Hoven	Trent	Ducktown	Loudon
		Howard	Tripp	Dunlap	Luttrell
		Hurley	Turton	Dyer	Lynnville
				Dyersburg	McEwen

Tennessee

McKenzie	Rutherford	Broadus	Edna	Kress	Nordheim
McLemoresville	Rutledge	Brookshire	Electra	La Coste	Normangee
McMinnville	St Joseph	Browndell	Elgin	Ladonia	North Cleveland
Madisonville	Saltillo	Brownwood	Elmendorf	La Feria	Novice
Martin	Samburg	Bryson	Elsa	La Grange	Oakhurst
Mason	Sardis	Buckholts	Emhouse	La Grulla	Oakwood
Maury City	Saulsbury	Buffalo Gap	Encinal	La Joya	O'Donnell
Maynardville	Savannah	Burton	Ennis	Lakeview	Olton
Medina	Scotts Hills	Byers	Estelline	Lampasas	Omaha
Middleton	Selmer	Bynum	Eustace	La Villa	Ore City
Milan	Sharon	Caddo Mills	Evant	La Ward	Paducah
Milledgeville	Shelbyville	Caldwell	Falfurrias	Leakey	Paint Rock
Millington	Silerton	Calvert	Falls City	Leary	Palacios
Minor Hill	Slayden	Cameron	Farmersville	Leona	Palmview
Mitchellville	Smithville	Campbell	Fate	Leonard	Palm Valley
Monteagle	Sneedville	Camp Wood	Fayetteville	Lexington	Paris
Monterey	Somerville	Carbon	Ferris	Linden	Pearsall
Morrison	South Fulton	Carmine	Flatonina	Lipan	Pecan Gap
Morristown	South Pittsburg	Carrizo Springs	Florence	Lland	Pecos
Moscow	Sparta	Castroville	Floresville	Lockhart	Penelope
Mosheim	Spencer	Celeste	Floydada	Lockney	Petersburg
Mountain City	Spring City	Celina	Forsan	Lometa	Pilot Point
Mount Pleasant	Springfield	Center	Franklin	Lone Oak	Pineland
Newbern	Spring Hill	Channing	Frankston	Loraine	Port Isabel
New Hope	Stanton	Charlotte	Fredericksburg	Lorena	Poteet
New Market	Stantonville	Chester	Frost	Los Fresnos	Powell
Newport	Surgoinsville	Childress	Gainesville	Lott	Premont
New Tazewell	Sweetwater	Chillicothe	Garrett	Lueders	Presidio
Niota	Tazewell	Chireno	Garrison	Luling	Primera
Oakdale	Tellico Plains	Christine	Gatesville	Lyford	Progreso Lakes
Oakland	Tiptonville	Cisco	Goldsmith	Mabank	Putnam
Obion	Toone	Clarendon	Goldthwaite	McCamey	Quannah
Oneida	Tracy City	Clarksville	Goliad	McGregor	Queen City
Orlinda	Trenton	Clint	Gonzales	McKinney	Quitaque
Orme	Trezevant	Cockrell Hill	Goodlow	McLean	Ralls
Palmer	Trimble	Coleman	Goodrich	Malakoff	Rancho Viejo
Paris	Troy	Collinsville	Goree	Malone	Ranger
Parkers' Cross Roads	Union	Colmesneil	Gorman	Manor	Raymondville
Parrottsville	Vanleer	Colorado City	Grafard	Marfa	Refugio
Parsons	Viola	Comanche	Grand Saline	Marion	Richland
Petersburg	Vonore	Combes	Grandview	Marlin	Richland Springs
Philadelphia	Wartburg	Commerce	Granger	Marquez	Rio Hondo
Pikeville	Wartrace	Como	Grapeland	Mart	Rising Star
Pleasant Hill	Watauga	Cool	Greenville	Mason	Roaring Springs
Powells Crossroads	Watertown	Coolidge	Gregory	Matador	Robstown
Pulaski	Waverly	Cooper	Grey Forest	Mathis	Roby
Puryear	Waynesboro	Cosicana	Groesbeck	Maud	Rochester
Ramer	White Bluff	Cotulla	Groom	Maypearl	Rockport
Red Boiling Springs	White Pine	Covington	Groveton	Meadow	Rocksprings
Richard City	Whiteville	Cransfills Gap	Gustine	Megargel	Rocky Mount
Ridgely	Whitwell	Crawford	Hallettsville	Melvin	Rogers
Ripley	Williston	Crockett	Hamilton	Memphis	Roma
Rives	Winchester	Crosbyton	Hamlin	Menard	Ropesville
Rockwood	Woodbury	Cross Plains	Happy	Mercedes	Rosebud
Rogersville	Woodland Mills	Crowell	Haskell	Meridian	Rose City
Rossville	Yorkville	Crystal City	Hearne	Merkel	Rotan
		Cuero	Hedley	Mertens	Round Top
		Cumby	Hemphill	Mertzton	Roxton
		Cushing	Hico	Mexia	Royse City
		Daingerfield	Hidalgo	Milano	Rule
		Dalhart	Hillsboro	Miles	Runge
		Dawson	Holland	Milford	Rusk
		Decatur	Hondo	Mineral Wells	Sabinal
		De Kalb	Honey Grove	Mingus	St Jo
		De Leon	Hubbard	Monahans	San Augustine
		Del Rio	Hughes Springs	Montgomery	San Diego
		Deport	Hutto	Moody	San Juan
		Detroit	Iredell	Moore Station	San Marcos
		Devers	Italy	Moran	San Perlita
		Dickens	Itasca	Morgan	San Saba
		Dilley	Jacksonville	Morton	Santa Anna
		Dodd City	Jayton	Moulton	Santa Rosa
		Dodson	Jefferson	Mount Calm	Schulenburg
		Domino	Joaquin	Mount Enterprise	Scottsville
		Donna	Junction	Mullin	Seven Oaks
		Douglasville	Karnes City	Munday	Seymour
		Driscoll	Kaufman	Naples	Shamrock
		Dublin	Kemp	Natalie	Shepherd
		Eagle Pass	Kendleton	Navasota	Shiner
		Earth	Kennard	Nesbitt	Silverton
		Easton	Kerens	Newcastle	Sinton
		Ector	Kingsville	New Summerfield	Slaton
		Edcouch	Kirvin	Neylandville	Smiley
		Eden	Knox City	Nixon	Smithville
		Edmonson	Kosse	Nocona	Somerset

Texas

Abbott	Bartlett
Ackerly	Bastrop
Adrian	Bayview
Alamo	Beasley
Alba	Beckville
Alpine	Beeville
Alto	Bellevue
Alton	Bellmead
Amherst	Bells
Annona	Benavides
Anthony	Benjamin
Aquilla	Bertram
Arp	Big Sandy
Asherton	Big Wells
Aspermont	Blanco
Atlanta	Blanket
Aubrey	Bloomburg
Austwell	Blooming Grove
Avery	Blue Ridge
Avinger	Blum
Bailey	Boerne
Baird	Bogata
Ballinger	Bonham
Balmorhea	Brackettville
Bandera	Brady Beckenridge
Bangs	Bremond
Bardwell	Brenham

Somerville
Southmayd
Spofford
Springlake
Spur
Stamford
Sterling City
Stockdale
Strawn
Streetman
Sudan
Sweetwater
Taft
Tahoka
Talco
Taylor
Teague
Tehuacana
Tenaha
Terrell
Texline
Thorndale
Thornton
Thrall
Throckmorton
Timpson
Tira
Toco
Tolar
Toyah
Trenton
Trinidad
Trinity
Troup

Tulia
Turkey
Uvalde
Valentine
Valley Mills
Van Alstyne
Van Horn
Vernon
Vinton
Waelder
Wallis
Waxahachie
Weatherford
Weimar
Wellington
Weslaco
Westbrook
Westminster
West Mountain
Whitewright
Whitney
Wills Point
Windom
Winnsboro
Winters
Wolfe City
Woodsboro
Woodson
Wortham
Yantis
Yoakum
Yorktown
Zavalla

Utah

Alton
Antimony
Ballard
Beaver
Bicknell
Boulder
Centerfield
Charleston
Circleville
Clawson
Cleveland
Cornish
Deweyville
Elsinore
Enterprise
Ephraim
Escalante
Eureka
Fairview
Fayette
Fillmore
Fountain Green
Genola
Glenwood
Green River
Gunnison
Hatch
Heber
Hildale
Holden
Hurricane
Junction
Kanarraville
Kanosh
Kingston
Koosharem

Laketon
Leeds
Levan
Logan
Lynndyl
Manti
Mayfield
Meadow
Midway
Milford
Mona
Moroni
Mount Pleasant
Myton
Nephi
Newton
Ophir
Panguitch
Pardwan
Portage
Santaquin
Scipio
Scofield
Snowville
South Salt Lake
Spring City
Sterling
Stockton
Toquerville
Torrey
Trenton
Vernon
Virgin
Wales
Wallsburg
Yost

Vermont

Albany
Alburt
Barre
Barton
Bellows Falls
Bradford
Bristol
Cabot
Cambridge
Derby Center
Derby Line
Enosburg Falls
Hardwick
Jacksonville
Jeffersonville
Johnson
Ludlow
Lyndonville
Marshfield
Milton
Montpelier
Morrisville
Newbury

Newport
Northfield
North Troy
North Westminster
Orleans
Perkinsville
Pittsford
Plainfield
Poultney
Proctorsville
Richford
Richmond
Rutland
St. Albans
Stowe
Swanton
Vergennes
Waterbury
Wells River
West Burke
Westminster
Winooski

Virginia

Abingdon
Accomac
Alberta
Appalachia
Appomattox
Bedford
Blacksburg
Blackstone
Boone Mill
Boydton
Boykins
Branchville
Brodnax
Brookneal
Buchanan
Burkeville
Cape Charles
Capron
Charlotte Court House
Chase City
Chatham
Cheriton
Chilhowie
Chincokeague
Claremont
Clarksville
Cleveland
Clifton Forge
Clinchport
Clintwood
Clover
Coeburn
Colonial Beach
Columbia
Covington
Craigs ville
Crewe
Damascus
Dendron
Dillwyn
Drakes Branch
Dungannon
Edinburg
Emporia

Exmore
Farmville
Franklin
Fries
Front Royal
Galax
Gate City
Glade Spring
Glasgow
Glen Lyn
Gordonsville
Goshen
Gretna
Grundy
Halifax
Hallwood
Harrisonburg
Haysi
Honaker
Independence
Iron Gate
Ivor
Jarratt
Jonesville
Keller
Kenbridge
Keysville
La Crosse
Lawrenceville
Lexington
Luray
McKenney
Marion
Martinsville
Melfa
Middleburg
Middletown
Mineral
Monterey
Mount Crawford
Mount Jackson
Narrows
Nassawadox
New Castle

Newsoms
Nickelville
Norton
Onancock
Onley
Orange
Painter
Pamplin City
Parksley
Pearisburg
Pembroke
Pennington Gap
Phenix
Pocahontas
Port Royal
Pulaski
Quantico
Radford
Richlands
Round Hill
Rural Retreat
St Charles
St Paul
Saltville

Saxis
Scottsburg
Scottsville
Shenandoah
South Hill
Stanardsville
Stanley
Stephens City
Stony Creek
Strasburg
Tangier
Tazewell
The Plains
Toms Brook
Troutdale
Troutville
Victoria
Virgilina
Wachapreague
Wakefield
Waverly
Whitestone
Woodstock
Wytheville

South Bend
south Prairie
Spague
Springdale
Stanwood
Starbuck
Sultan
Sumas
Sumner
Sunnyside
Tenino
Tieton
Toledo
Tonasket
Toppenish
Twisp
Union Gap

Uniontown
Vader
Walla Walla
Wapato
Warden
Washougal
Washtucna
Westport
Wilkeson
Wilson Creek
Winlock
Winthrop
Woodland
Yacolt
Yelm
Zillah

Pine Grove
Pineville
Point Pleasant
Princeton
Pullman
Rainelle
Ransen
Reedsville
Reedy
Rhodell
Richwood
Ridgeley
Rivesville
Romney
Roncoveerte
Rowlesburg
Rupert
St. Marys
Salem
Shepherdstown
Shinnston
Sistersville
Smithers
Smithfield
Sophia
South Charleston
Spencer
Star City

Stonewood
Summersville
Sutton
Terra Alta
Thomas
Thurmond
Triadelphia
Tunnelton
Union
Valley Grove
Vienna War
Wardensville
Wayne
Welch
Wellsburg
West Hamlin
West Liberty
West Milford
Weston
Westover
West Union
White Sulphur Springs
Whitesville
Williamson
Winfield
Womelsdorff
Worthington

Washington

Aberdeen
Airway Heights
Arlington
Asotin
Battle Ground
Bingen
Black Diamond
Brewster
Bridgeport
Buckley
Bucoda
Camas
Carnation
Cashmere
Castle Rock
Cathlamet
Centralia
Chehalis
Chelan
Cheney
Chewelah
Clarkston
Cle Elum
Colville
Conconully
Concrete
Connell
Cosmopolis
Coulee City
Cusick
Darrington
Dayton
Deer Park
Duvall
East Wenatchee
Eatonville
Ellensburg
Elma
Entiat
Everson
Farmington
George
Gold Bar
Goldendale
Grand Coulee
Grandview
Granger
Granite Falls
Hamilton
Harrah
Hartline
Hoquiam
Ilwaco
Index
Ione
Kahlotus
Kelso
Kettle Falls
Kittitas

Krupp
La Conner
Latah
Lind
Long Beach
Lyman
Mabton
Malden
Mansfield
Marcus
Marysville
Mattawa
Mesa
Metaline
Metaline Falls
Millwood
Monroe
Montesano
Morton
Moses Lake
Mossyrock
Moxee City
Naches
Nespelem
Newport
Nooksack
North Bonneville
Northport
Oakville
Okanogan
Omak
Oroville
Orting
Othello
Pateros
Port Angeles
Port Orchard
Port Townsend
Prescott
Pullman
Puyallup
Quincy
Rainier
Raymond
Republic
Ridgefield
Ritzville
Riverside
Rockford
Rock Island
Roslyn
Roy
Royal City
Sedro Woolley
Sequim
Shelton
Skykomish
Snohomish
Soap Lake

Addison
Albright
Alderson
Anawalt
Anmoore
Ansted
Athens
Auburn
Bancroft
Barboursville
Barrackville
Bayard
Beckley
Beech Bottom
Belington
Benwood
Bethany
Beverly
Blacksville
Bluefield
Bradshaw
Bramwell
Bruceton Mills
Buckhannon
Buffalo
Burnsville
Camden-on-Gauley
Cameron
Capon Bridge
Cass
Cedar Grove
Ceredo
Chapmanville
Charles Town
Chester
Clarksburg
Clay
Clendenin
Cowen
Danville
Davis
Davy
Delbarton
Dunbar
Durbin
Elizabeth
Elk Garden
Elkins
Fairmont
Fairview
Falling Springs
Farmington
Fayetteville
Flatwoods
Flemington
Follansbee
Fort Gay
Franklin
Friendly
Gary
Gassaway
Gauley Bridge
Gilbert
Glenville
Grafton
Grantsville

West Virginia

Grant Town
Granville
Hambleton
Hamlin
Handley
Harman
Harrisville
Hartford City
Hedgesville
Henderson
Hendricks
Hillsboro
Hinton
Hundred
Jaeger
Junior
Kenova
Kermit
Keyser
Keystone
Kimball
Layopolis
Lester
Lewisburg
Littleton
Logan
Lost Creek
Lumberport
McMechen
Man
Mannington
Marlinton
Merlinton
Marmet
Martinsburg
Mason
Masontown
Matewan
Matoaka
Meadow Bridge
Middlebourne
Mill Creek
Milton
Monongah
Montgomery
Moorefield
Morgantown
Moundsville
Mount Hope
Mullens
Newburg
New Cumberland
Northfork
Nutter Fort
Oakvale
Oceana
Osage
Paden City
Parsons
Paw Paw
Pax
Pennsboro
Petersburg
Pleasanton
Philippi
Piedmont

Wisconsin

Abbotsford
Algoma
Alma Center
Almond
Amherst Junction
Aniwa
Antigo
Arcadia
Ashland
Athens
Agusta
Avoca
Bagley
Barneveld
Bayfield
Bear Creek
Beaver Dam
Big Falls
Birchwood
Black River Falls
Blair
Blanchardville
Bloomington
Blue River
Bowler
Boyceville
Brokaw
Bruce
Butternut
Cable
Cambria
Campbellsport
Camp Douglas
Casco
Cashton
Catawba
Cazenovia
Centuria
Chippewa Falls
Clayton
Clinton
Clintonville
Cochrane
Colby
Coloma
Conrath
Cornell
Couderay
Crandon
Curtiss
Dallas
Darlington
De Soto
Downing
Durand

Eagle River
Eastman
Elderon
Eleva
Elroy
Endeavor
Ettrick
Exeland
Fairchild
Fall River
Fenwood
Fond Du La
Footville
Frederic
Galesville
Gays Mills
Gillett
Gilman
Glenbeulah
Glenwood City
Granton
Gratiot
Greenwood
Hancock
Hatley
Hawkins
Hayward
Hixton
Hurley
Hustler
Independence
Ingram
Ironton
Jefferson
Kellnersville
Kennan
Kewaunee
Kingston
Lac La Belle
Ladysmith
La Farge
Lake Delton
La Valle
Lena
Lime Ridge
Linden
Loganville
Lohrville
Lowell
Loyal
Lublin
Luck
Lyndon Station
Maiden Rock
Manitowoc

Maribel
Marinette
Markesan
Marquette
Mason
Mattoon
Mauston
Mellen
Melrose
Menomonie
Merrill
Merrillan
Merrimac
Millardore
Milltown
Mineral Point
Minong
Montello
Montreal
Mosinee
Mount Calvary
Mount Hope
Necedah
Neillsville
Nelson
Nelsonville
Neshkoro
New Auburn
New Lisbon
Nichols
North Freedom
Oconto
Oconto Falls
Ogdensburg
Ontario
Osseo
Owen
Oxford
Park Falls
Phillips
Pittsville
Platteville
Poplar
Portage
Potter
Pound
Poynette
Prairie Farm
Prentice
Princeton
Radisson
Readstown
Redgranite
Reedsburg
Rewey

Rhineland
Rib Lake
Richland Center
Rio
Ripon
River Falls
Rockland
Rock Springs
Rosholt
St Naziaz
Schofield
Sheldon
Shell Lake
Siren
Soldiers Grove
Solon Springs
South Wayne
Spencer
Spooner
Stanley
Steuben
Stevens Point
Stoddard
Stratford
Strum
Suring
Taylor
Thorp
Tigerton
Tony
Trempealeau
Turtle Lake
Two Rivers
Unity
Viroqua
Walworth
Warrens
Washburn
Wausaukee
Wautoma
Webster
West Baraboo
Westfield
Weyerhaeuser
Wheeler
Whitehall
White Lake
Whitewater
Wild Rose
Wilton
Winter
Wisconsin Dells
Withee
Wonewoc
Wyocena

Wyoming

Afton
Albin
Baggs
Big Piney
Clearmont
East Thermopolis
Encampment
Fort Laramie
Frannie

Hulett
La Grange
Laramie
Meeteetse
Riverside
Rock River
Thayne
Yoder

Alabama

Albertville
Alexander City
Aliceville
All Good
Arley
Athens
Atmore
Bear Creek

Beaverton
Blountville
Boaz
Brewton
Carolina
Chatom
Citronelle
Clayhatchee

Coffee Springs
Columbiana
County Line
Crossville
Daviston
Double Springs
East Brewton
Elberta
Enterprise
Eunola
Eutaw
Falkville
Gaylesville
Geiger
Geneva
Geraldine
Gilbertown
Grove Hill
Guin
Guntersville
Hackleburg
Hamilton
Hanceville
Harpersville
Hartselle
Hayden
Heath
Hollywood
Jackson
Jacksonville
Jemison
Kansas
Killen
Lester
Lexington
Lincoln
Lineville
Loachapoka

Aniak
Hopper Bay
Kiana
Kotlik
Mountain Village
Napaskiak

Apache Junction
Benson
Casa Grande
Clifton
Collidge
Hayden
Holbrook

Avoca
Banks
Barling
Beebe
Berryville
Black Springs
Caldwell
Campbells Station
Caulksville
Colt
Corning
Diaz
Dover
Dyess
Fisher
Gosnell
Griffithville
Grubbs
Guy
Higden
Hoxie
Kensett
Kibler
Kingsland
Lafe
Louann
Manila
Mount Ida

Loxley
Lynn
Montevallo
Moulton
Myrtlewood
Nectar
New Brockton
New Site
Newton
Northport
Notasulga
Oak Grove
Ohatsee
Oneonta
Onycha
Pell City
Petrey
Pisgah
Powells Crossroads
Ragland
Rainsville
Riverside
Rogersville
Russellville
Sardis City
Snead
Springville
Steele
Sweetwater
Sylacauga
Sylvania
Thomasville
Thorsby
Vernon
Waldo
West Point
Whitehall
Woodland

Alaska

Nenana
Platinum
Ruby
St Mary's
Shungnak

Arizona

Nammoth
Payson
Safford
Show Low
Wilcox
Winkelman

Arkansas

Murfreesboro
Newport
O'Kean
Oxford
Ozark
Pangburn
Patmos
Perry
Perryville
Plumberville
Pocahontas
Prattsville
Rockport
Salem
Searcy
Star City
Strawberry
Subiaco
Trumann
Tuckerman
Tyronza
Valley Springs
Walnut Ridge
Wiederkkehr
Willisville
Wilmar
Wooster

California

Anderson
Angels
Arcata
Avenal
Banning
Barstow
Biggs
Blythe
Brawley
Clearlake
Coachella
Coalinga
Colfax
Colusa
Corcoran
Crescent City
Delano
Dos Palos
Dunsmuir
Ferndale
Firebaugh
Greenfield
Hanford
Houghson
Indio
Lincoln
Livingston
Los Banos
Loyalton

Brush
Buena Vista
Canon City
Collbran
Crestone
Dinosaur
Fruita
Ophir

Smyrna

Bartow
Brooksville
Callahan
Cedar Grove
De Funiak Springs
Dundee
Everglades
Frostproof
Haines City
Indian Creek
Labelle

Bacanton
Blackshear
Brooklet
Buchanan
Camak
Edge Hill
Emerson
Fairmount
Iron City
Jenkinsburg
Louisville

Arco
Athol
Cascade
Coeur D'Alene
Council
Craigmont
Crouch
Dalton Gardens
Donnelly
Ferdinand
Fern Lake
Harrison

McFarland
Madera
Marysville
Merced
Monrovia
Montague
Orange Cove
Pacific Grove
Patterson
Perris
Placerville
Plymouth
Portola
Reedley
Rio Dell
Rio Vista
Riverbank
San Gabriel
Sanger
San Jacinto
Soledad
Sutter Creek
Tracy
Wasco
Waterford
Westmoreland
Willows
Winters

Colorado

Palisade
Ridgway
Rye
Salida
Sheridan Lake
Silver Plume
Vilas

Delaware

Florida

Lady Lake
Leesburg
Minneola
Moore Haven
Mount Dora
Okeechobee
Opalocka
South Miami
Sweetwater
Tavares
Umatilla

Georgia

McRae
Mineral Bluff
Mount Airy
Shady Dale
Sparks
Weston
West Point
White
Whitesburg
Young Harris

Idaho

Hayden
Hope
Huetter
Idaho City
Kamiah
McCall
Movie Springs
New Meadows
Riggins
St Marie's
Victor

III. The following list contains the names of those small cities which meet the current minimum standards of physical and economic distress but which did not meet the standards as of the March 1, 1983 Notice.

Illinois

Abingdon
Adeline
Alhambra
Altona
Alvin
Arlington
Banner
Bannockburn
Bartelso
Bath
Beckemeyer
Belle Prairie City
Belvidere
Bluford
Bonnie
Bunker Hill
Butler
Byron
Cahokia
Cambria
Capron
Carlyle
Carterville
Casey
Centralia
Chesterfield
Chrisman
Coatsburg
Collinsville
Creston
Cuba
Dahlgren
Dana
Danforth
Davis Junction
Deer Grove
Depue
Dix
Dowel
Du Quoin
Earlville
East Moline
Easton
Edwardsville
Elsah
Energy
Fairview
Farina
Farmer City
Farmington
Fithian
Forreston
Freeburg
Galesburg
Germantown
Gillespie
Girard
Gladstone
Godley
Grantfork
Greenup
Greenville
Hainesville
Hartford
Henning
Herrin
Hettick
Hillsboro
Hutsonville
Ina
Jerseyville
Jewett
Jonesboro
Kangley
Kansas
Kell
Keyesport
Kirkwood
Lebanon
Leland
Lewiston
Liberty
Liverpool
Livingston
Louisville
Manito
Maquon
Marissa
Mark
Marshall
Martinsville
Matherville
Media
Modesto
Momence
Mount Carroll
Mount Morris
Mount Olive
Mount Vernon
Neoga
North Pekin
Oakwood
Odin
Oglesby
Ohio
Old Ripley
Olney
Oregon
Ottawa
Otterville
Patoka
Phillipstown
Poplar Grove
Radom
Raleigh
Reddick
Ridge Farm
Rio
Robinson
Rockdale
Rushville
Rutland
St. Anne
St. Augustine
Salem
Sawyerille
Shawneetown
Sheffield
Sherrard
Shipman
Sigel
Silvis
Smithfield
Staunton
Sterling
Streator
Sumner
Tamaroa
Tamm
Tampico
Taylor Springs
Tiskilwa
Tonica
Topeka
Union Hill
Ursa
Vandalia
Virden
Walnut
Wataga
Watson
Wayne City
Waynesville
Weldon
Westfield
White City
Wilmington
Woodhull
Wood River
Wyand

Indiana

Albany
Albion
Andrews
Angola
Argos
Ashley
Avilla
Bourbon
Brownstown
Bunker Hill
Burnettsville
Butler
Carefree
Cedar Grove
Cedar Lake
Center Point
Chalmers
Churubusco
Clay City
Converse
Crothersville
Dale
Decatur
Denver
Dillsboro
Dunreith
Eaton
Elizabethtown
Fairview Park
Farmersburg
Farmland
Frankfort
Fulton
Gas City
Gaston
Geneva
Georgetown
Goodland
Greensfork
Hagerstown
Hamilton
Hamlet
Hanover
Hartsville
Hope
Hymera
Ingalls
Kempton
Kendallville
Kewanna
Kingman
Kingsbury
Kirklin
La Crosse
La Fontaine
La Paz

Agency
Albia
Andover
Andrew
Armstrong
Bayard
Bellevue
Bevington
Bloomfield
Clinton
Coburg
Fort Madison
Fredericksburg
Fredonia
Graf
Hedrick
Holstein
Hurstville
Ionia
Kinross
Lamoni
Lost Nation
Luzerne
Middletown

La Porte
Lewisville
Ligonier
Livonia
Loogootee
Macy
Markle
Marshall
Matthews
Mauckport
Middletown
Milan
Mitchell
Montezuma
Mount Etna
Mount Summit
Mulberry
Odon
Oolitic
Orestes
Orleans
Parker City
Perrysville
Pines
Pine Village
Porter
Reynolds
Rising Sun
Roann
Rochester
Rome City
Roosville
St. Joe
Salem
Scottsburg
Sellersburg
Selma
Seymour
Sharpsville
South Whitley
Spring Grove
Sullivan
Sulphur Springs
Sunman
Tell City
Upland
Van Buren
Veederburg
Walton
Waterloo
Whiting
Williamsport
Winamac
Winchester
Windfall City
Wolcott

Iowa

Miles
Montrose
Mount Auburn
Nashua
New Vienna
Nora Springs
Oyens
Pacific Junction
Plain View
Preston
Rudd
St. Donatus
St. Paul
Scarville
Shelby
Shellsburg
Sioux Rapids
South English
Spragueville
Templeton
Urbana
Valeria
Vinton
Yale

Kansas

Albert
Baldwin City
Bushong
Cedar Vale
Dorrance
Hartford
Haviland
Linn
Minneapolis
Morganville
Moscow
Nortonville

Olivet
Parkerville
Peabody
Protection
St. John
Toronto
Vining
Waldron
Washington
Winchester
Yates Center

Kentucky

Allen
Benton
Bremen
Dry Ridge
Eddyville
Edmonton
Fredonia
Glasgow
Grand Rivers
Greensburg
Greenup
Hardin
Hindman
Hunter's Hollow
Hyden
Jackson
Jenkins
Kevil
Leitchfield
Liberty
Lynch
Lynnview
Middletown City
Minor Lane Heights
Morgantown
Park City
Parkway Village
Prestonburg
Raceland
Rochester
Russell Springs
Shepherdsville
Smithfield
Stanton
Strathmoor Manor
Washington
West Buechel
Whipps Millgate
Wilmore
Wurtland

Louisiana

Albany
Anacoco
Ashland
Bryceland
Cotton Valley
Delcambre
De Ridder
Dixie Inn
Doyle
Dry Prong
Fenton
Fordoche
Franklin
French Settlement
Goldonna
Grambling
Grand Cane
Greensburg
Hammond
Houghton
Jackson
Jennings
Kilbourne
Lutcher
McNary
Many
Marion
Minden
Morganza
Mount Lebanon
Natchitoches
Pine Prairie
Plaucheville
Port Barre
Ridgecrest
Sarepta
Shongaloo
Sibley
Simpson
Stanley
Vidalia
Walker
Welsh
West Monroe

Maryland

Barclay
Centerville
Church Hill
Edmonston
Eldorado
Frostburg
Galena
Galestown
Goldsboro
Hebron
Hillsboro
Hurlock
Luke
Millington
Mountain Lake Park
New Windsor
Pittsville
Riverdale
Sharpsburg
Sharptown
Smithsburg
Westernport
Willards
Williamsport

Massachusetts

Taunton

Michigan

Adrian
Algonac
Allegan
Almont
Ashley
Bad Axe
Bear Lake
Belding
Bellaire

Boyne City
Boyne Falls
Breckenridge
Britton
Brown City
Buchanan
Byron
Capac
Carleton
Carson City
Caseville
Centerville
Charlevoix
Clare
Coldwater
Colon
Columbiaville
Corunna
Croswell
Deerfield
Dryden
Durand
East Jordan
East Tawas
Eaton Rapids
Edwardsburg
Ellsworth
Estral Beach
Farwell
Fennville
Fenton
Forestville
Fountain
Fowlerville
Freeport
Gaines
Greenville
Hersey
Homer
Hopkins
Imlay City
Ishpeming
Ithaca
Jonesville
Keego Harbor
Kingsley
Lawrence
Lawton
Lennon
Le Roy
Lincoln
Linden
Litchfield
Luna Pier
Maple Rapids
Marlette
Marquette
Maybee

Memphis
Metamora
Middleville
Millersburg
Millington
Minden City
Montague
Montgomery
Mulliken
New Buffalo
New Era
North Branch
Northport
Oak Park
Omer
Onkama
Onsted
Ortonville
Otter Lake
Ovid
Parma
Paw Paw
Peck
Pellston
Perry
Petersburg
Pigeon
Pinckney
Portland
Port Sanilac
Pottsville
Quincy
Reading
Rogers City
Romeo
Roscommon
Rothbury
St Charles
St Clair
St Joseph
Sandusky
Scottville
Sheridan
Standish
Stephenson
Sunfield
Tawas City
Three Oaks
Traverse
Tustin
Vermontville
Vernon
Waldron
Westphalia
White Pigeon
Wyandotte
Yale

Minnesota

Alvarado
Audubon
Barrett
Barry
Battle Lake
Bigfork
Biwabik
Bowls
Brookston
Calumet
Chisholm
Cook
Detroit Lakes
Ely
Fort Ripley
Frazee
Genola
Gonvick
Grasston
Greenbush
Hackensack
Hawley
Henriette
Iron Junction
Jenkins

Virginia
Warba
Warren

Batesville
Beauregard
Calhoun City
Cleveland
Corinth
Derma
French Camp
Hattiesburg
Leakesville
Louisville
Lucedale

Annada
Augusta
Bloomfield
Bonne Terre
Brookfield
Brimley
Centralia
Corder
Crystal City
Cuba
Dexter
Dudley
East Lynne
Farber
Farmington
Foristell
Greenville
Hermann
Jamestown
Junction City
Kelso
Lakeside

Boulder
Columbus
Drummond
Kalispell

Barada
Boys Town
Clarkson
Gandy
Leigh
Maxwell
Milford

Ely

Loconia

Bellmawr
Cape May Point
Gibbsboro
Harrison
Hi-Nella
Laurel Springs
Magnolia
Merchantville

Aztec
Bayard
Bloomfield
Capitan
Carlsbad
Chama
Deming

Warroad
Wright
Zempe

Mississippi

Pass Christian
Philadelphia
Pontotoc
Renova
Satartia
Senatobia
Silver Creek
Slate Spring
Thaxton
Wesson
Wiggins

Missouri

Lakeview
La Plata
Latour
Macon
Marthasville
Mathews
Miner
New Haven
Perryville
Prathersville
Scott city
Sedgewickville
Sikeston
Tuscumbia
Vandalia
Vanduser
Vienna
Warrenton
Wayland
Winston
Wyatt

Montana

Sheridan
Thompson Falls
Walkerville

Nebraska

Potter
Sholes
South Bend
Stockham
Wallace
Wisner

Nevada

New Hampshire

New Jersey

North Wildwood
Runnemede
Shiloh
Somerdale
Stratford
Tuckerton
Victory Gardens
Woodbine

New Mexico

Espanola
Gallup
Los Lunas
Loving
Milan
Questa
Tijeras

New York

Akron
Alden
Alfred
Allegany
Aurora
Blasdell
Bloomingdale
Canton
Cato
Cayuga
Cazenovia
Cobleskill
Constableville
Copenhagen
Corfu
Dannemora
Delevan
Delhi
Depew

East Aurora
East Randolph
Elba
Evans Mills
Fair Haven
Fredonia
Harrisville
Horseheads
Lancaster
Middleport
Montour Falls
Morrisville
Odessa
Sidney
Tonawanda
Turin
Union Springs
Weedsport

North Carolina

Angier
Ansonville
Askewville
Autryville
Banner Elk
Battleboro
Beech Mountain
Biscoe
Black Creek
Boone
Bostic
Brevard
Centerville
Chocowinity
Clyde
Coats
Davidson
Dobson
Dublin
Earl
Elkin
Everetts
Falcon
Forest City
Fuquay-Varina
Grover
Harmony
Hildebran
Jefferson
Kenansville

Lillington
Lumber Bridge
Lumberton
Marshville
Mocksville
Newland
Pine Level
Pinetops
Polkville
Robbinsville
Rose Hill
Sanford
Seaboard
Shallotte
Sharpsburg
Siler City
Sims
Snow Hill
Southport
Stanfield
Stedman
Stonewall
Sunset Beach
Sylva
Tar Heel
Waco
Walstonburg
Waynesville
Whiteville
Woodland

North Dakota

Leal
Loma
Park River

Reeder
Rolette

Ohio

Adamsville
Alvordton
Andover
Anna
Ansonia
Antioch
Antwerp
Ashland
Attica
Bayview
Beaverdam
Bellville
Belmont
Belpre
Bethesda
Bettsville
Beverly
Bloomville
Browerston
Bremen
Brewster
Brice
Buckland
Bucyrus

Byesville
Cairo
Carey
Carrollton
Cedarville
Celina
Centerburg
Cheshire
Chesterhill
Chillicothe
Clarington
Clay Center
College Corner
Coshocton
Covington
Craig Beach
De Graff
Dellroy
Donnelsville
Dover
Dresden
Dupont
East Palestine
Eaton

Edison
Edon
Fayette
Flushing
Forest
Fort Recovery
Frazeysburg
Fredericktown
Geneva
Geneva-on-the-Lake
Gettysburg
Gibsonburg
Girard
Glenmont
Gordon
Granville
Gratis
Green Camp
Greenville
Hanoverton
Hartsville
Hebron
Hicksville
Hiram
Hopedale
Hubbard
Huntsville
Ithaca
Jackson Center
Jefferson
Jerry City
Jewett
Junction City
Kenton
Kettlersville
Kingston
Kirkersville
Lafayette
Lagrange
Laura
Lawrenceville
Leesburg
Leipsic
Liberty Center
Limaville
Lockington
Logan
Louisville
McArthur
Maineville
Malvern
Martinsburg
Martins Ferry
Marysville
Mechanicsburg
Mendon
Middle Point
Midvale
Milford Center
Mineral City
Monroeville
Montpelier
Moscow
Mount Orab
Navarre
Nellie
Nevada
New Bavaria
Newtownsville
New Washington
New Waterford
North Hampton

North Robinson
North Star
Ohio City
Orville
Orwell
Ottoville
Owensville
Oxford
Paulding
Pemberville
Perrysville
Pioneer
Pittsburg
Pleasant Hill
Polk
Port Clinton
Port Jefferson
Port Washington
Powhatan Point
Ravenna
Rayland
Richmond
Richwood
Ridgeway
Rio Grande
Rising Sun
Rochester
Rocky Ridge
Rossburg
Rushsylvania
St Martin
St Mary's
Sebring
Shawnee Hills
Sidney
Silverton
Sinking Spring
South Vienna
South Webster
South Zanesville
Sparta
Stone Creek
Strasburg
Stratton
Sugar Creek
Tiltoonsville
Toronto
Troy
Tuscarawas
Unionville Center
Upper Sandusky
Utica
Van Wert
Venedocia
Wakeman
Wapakoneta
Wauseon
Waverly
Waynesfield
Waynesville
Wellington
West Lafayette
West Manchester
Weston
Wharton
Willard
Windham
Woodlawn
Wren
Yellow Springs
Yorkville
Zaleski

Oklahoma

Adair
Arkoma
Avar
Bradley
Canton
Capron
Crowder
Elk City
Fort Supply
Maysville
Okeene
Purcell
Putnam
Skiatook
Sperry
Woodville

Adams
Ashland
Astoria
Athena
Baker
Bay City
Brownsville
Butte Falls
Cannon Beach
Canyonville
Cave Junction
City of the Dalles
Coos Bay
Dayton
Elkton
Enterprise
Florence
Gaston
Gearhart
Grants Pass
Hood River
Idanha
Imbler
Junction City
Lincoln City

Adamsburg
Appelwold
Archbald
Auburn
Baden
Barnesboro
Beaver Meadows
Bedford
Bellevue
Benson
Berlin
Bessemer
Birmingham
Blairsville
Blakely
Blawnox
Blooming Valley
Bowmanstown
Bridgewater
Broad Top City
Brockway
Brookville
Burgettstown
Burnside
Butler
Callery
Cambridge Springs
Canonsburg
Carmichaels
Carnegie
Catasauqua
Centerville
Central City
Centre Hall
Chalfant
Chambersburg
Charleroi
Cherry Valley
Clarks Summit
Claysville
Clintonville
Conneaut Lake
Coraopolis
Corsica
Crafton
Creeside
Cross Roads
Dallastown
Darlington
Deemston
Delaware Water Gap
Delmont
Derry
Driftwood
Du Bois
Duboisstown

Oregon

Lowell
Merrill
Mill City
Monmouth
Mosier
Prairie City
Rainier
Riddle
Rogue River
Seaside
Seneca
Shady Cove
Sheridan
Spray
Stanfield
Sutherlin
Sweet Home
Talent
Tangent
Unity
Warrenton
Weston
Winston
Yachats
Yamhill

Pennsylvania

Dunmore
Dupont
Duryea
East Bangor
East Rochester
East Side
East Stroudsburg
Elgin
Elizabeth
Elport
Ernest
Exeter
Export
Fallston
Fayette City
Fernside
Ford Cliff
Fountain Hill
Franklin
Freemansburg
Freeport
Georgetown
Girard
Glassport
Glendon
Glen Hope
Glen Rock
Gordon
Grampain
Greensburg
Greenville
Grove City
Haysville
Hookstown
Houston
Houtzdale
Hughesville
Hyde Park
Jackson Center
Jeddo
Jessup
Jonestown
Juniata Terrace
Lake City Knox
Landingville
Larksville
Leechburg
Leetsdale
Lewis Run
Loganton
Lumber City
McEwensville
McKean
Manchester
Manor
Manorville

Marion Center
Marion Heights
Mars
Martinsburg
Mechanicsville
Mifflin
Mifflinburg
Mifflintown
Millersville
Monessen
Morton
Mount Carbon
Mount Pleasant
Mount Pocono
Munhall
Nesquehoning
New Centerville
New Columbus
New Galilee
Newry
North Apollo
North Catasauqua
North Charleroi
North East
North York
Nuangola
Oakmont
Oil City
Oklahoma
Orangeville
Orrstown
Palmerton
Patterson Heights
Pen Argyl
Petrolia
Pine Grove
Pitcairn
Pleasantville
Polk
Port Carbon
Port Clinton
Portersville
Port Vue
Pringle
Rainsburg
Ramey
Red Lion
Rices Landing
Rimersburg
Roaring Spring

Andrews
Barnwell
Blythwood
Clinton
Gray Court
Hampton
Hardeeville
Hickory Grove
Hilda
Jefferson
Johnsonville
Laurens
Nichols

Altamont
Lake City

Algood
Arlington
Atoka
Bradford
Bruceeton
Bulls Gap
Burlison
Byrdstown
Carthage
Celina
Chapel Hill
Charlotte
Collinwood

Rochester
Salladasburg
Sandy Lake
Sankertown
Scottdale
Sewickley
Shanksville
Sharpville
Sheakleyville
Sligo
Slippery Rock
Smithton
South Bethlehem
South Greensburg
South Philipsburg
Southwest Greensburg
South Williamsport
Stockdale
Stoneboro
Sugar Creek
Sugar Grove
Sugar Notch
Summit Hill
Suterville
Taylor
Thompsons town
Tionesta
Troy
Turbottville
Turtle Creek
Ursina
Vandling
Verona
Walnutport
Waterford
Waynesboro
Wesleyville
West Alexander
West Leechburg
West Mayfield
West Newton
West Wyoming
White Haven
Wilson
Wind Gap
Winterstown
Woodbury
Youngsville
Youngwood
Zelenople

South Carolina

Ninety Six
Parksville
Pendleton
Reevesville
Richburg
Ruby
Salem
Scranton
Seneca
Turbeville
Waterloo
Williamston
Williston

South Dakota

Mitchell
Naples

Tennessee

Cookeville
Decatur
Decaturville
Dover
Dunlap
Estill Springs
Garland
Greeneville
Gruetli-Laager
Halls
Hohenwald
Humboldt
Huntingdon

Jasper
Kimball
Lafayette
Lawrenceburg
Lexington
Linden
McEwen
McLeomoresville
Median
Milan
Milledgeville
Millington
Mongeeagle
Monterey
New Hope
Obion
Oneida

Orme
Parsons
Rogersville
St Joseph
Savannah
Selmer
Shelbyville
Trezvant
Troy
Vanleer
Watertown
Waverly
Waynesboro
White Pine
Winchester
Woodbury
Woodland Mills

La Conner
Lind
Marcus
Marysville
Mesa
Metaline Falls
Millwood
Monroe
Montesand
Nooksack
Okanogan
Omak
Orting
Othello
Pateros
Port Angeles
Port Orchard
Port Townsend

Pullman
Puyallup
Quincy
Ritzville
Royal City
Sequim
Snohomish
South Bend
Stanwood
Sunnyside
Twisp
Union Gap
Walla Walla
Warden
Washougal
Westport
Woodland

IV. The following list contains the names of those small cities which met the minimum standards of physical and economic distress as of the March 1, 1983 Notice but which do not meet the current minimum standards. The final date for submission of an application by the cities listed below is August 31, 1984.

Texas

Aquilla
Aspermont
Atlanta
Avinger
Blanco
Bogata
Broaddus
Como
Cushing
Daingerfield
Devers
Elgin
Eustace
Farmersville
Forsan
Grey Forest
Haskell
Hughes Springs
Lampasas
McGregor

Malaoff
Maypearl
Omaha
Ore City
Palacios
Palm Valley
Queen City
Rancho Viejo
Rose City
Rusk
Slaton
Somerset
Sterling City
Sweetwater
Taft
Tahoka
Trinidad
Weatherford
Weimar
Whitney

Utah

Charleston
Enterprise
Fairview
Fountain Green
Green River
Heber
Junction
Laketown

Mayfield
Midway
Mona
Nephi
Panguitch
Snowville
Wallsburg

Vermont

Derby Line

Vergennes

Virginia

Blacksburg
Clinton
Coeburn
Crewe
Franklin
Front Royal
Glasgow
Grundy
Independence
Jarratt
Jonesville
Keysville
Marion
Middletown
Narrows

Onley
Pearisburg
Pembroke
Port Royal
Radford
Rural Retreat
St Paul
South Hill
Stephens City
Tazewell
Troutdale
Victoria
Whitestone
Wytheville

Washington

Aberdeen
Airway Heights
Arlington
Battle Ground
Brewster
Bridgeport
Buckley
Bucoda
Camas
Cashmere
Castle Rock
Chehalis
Cheney

Chewelah
Connell
Cosmopolis
East Wenatchee
Eatonville
Elma
Entiat
Grandview
Granite Falls
Harrah
Hoquiam
Kahlotus
Krupp

West Virginia

Athens
Bancroft
Barboursville
Barrackville
Beckley
Bethany
Bruceton Mills
Dunbar
Franklin
Gary
Grant Town
Hamlin
Harman
Hillsboro
Lewisburg
Marmet
Mason
Middlebourne
Montgomery

Northfork
Oceana
Pineville
Point Pleasant
Rupert
St Marys
Shepherdstown
Shinnston
Smithers
South Charleston
Stonewood
Summersville
Triadelphia
Valley Grove
Vienna
Wellsburg
West Milford
White Sulphur Springs
Winfield

Wisconsin

Maribel
Markesan
Montreal
Mosinee
Mont Calvary
New Lisbon
North Freedom
Osseo
Park Falls
Poplar
Potter
Poynette
Princeton
Redgranite
Reedsburg
Rib Lake
St Naziaz
Sheldon
Shell Lake
Solon Springs
Spencer
Stoddard
Stratford
Suring
Thorp
Trempealeau
Two Rivers
Unity
Washburn
West Baraboo
Westfield
Wild Rose
Wisconsin Dells
Wyocena

Wyoming

Afton
Baggs
Encampment

Meeteetse
Ydder

Alabama

Belk
Brookside
Kinsey
Phenix City

Ranburne
Sumiton
Webb

Alaska

Angoon
Haines

St. Paul
Yakutat

Arizona

Cottonwood

Gila Bend

Arkansas

Bentonville
Bergman
Bono
Brookland
Cash
Cave City
Cherry Valley
Crossett
Danville
Dardanelle
Decatur
Elm Springs
Emmet
Fifty Six
Fouke

Fountain Hill
Harrison
Heber Springs
Hope
Huntsville
Huttig
Jerome
Lake City
London
Lonoke
Sulphur Rock
Ward
Wilton
Wynne

California

Maywood

San-Fernando

Colorado

Bennett
Burlington
Evans
Fraser
Hotchkiss

Johnstown
Milliken
Mountain View
Pitkin

Delaware

Middletown

Florida

Hampton
Inverness
Lake Butler
Sanford

Sebring
Trenton
Williston

Georgia

Avalon
Berlin
Blairsville
Buford
Calhoun
Carrollton
Centralhatchee
Clayton
Donalsonville
Doraville
Gumbranch City
Hagan
Hamilton
Homeland

Ila
La Fayette
Loganville
Martin
Milledgeville
North High Shoals
Oak Park
Reidsville
Resaca
Ringgold
Vidalia
Walnut Grove
Woolsey

Idaho

Blackfoot
Bliss
Bloomington
Burley
Caldwell
Eden

Marsing
Middleton
Onaway
Preston
Stanley

Illinois		North Carolina		Utah	
Argenta	Greenview	Drexel	Selma	Cedar City	Oak City
Assumption	Makanda	La Grange	Stovall	Garden City	St. George
Batchtown	Niantic	Maggie Valley	Winterville	Minersville	Santa Clara
Bone Gap	Valmeyer			Monroe	Springville
Indiana		North Dakota		Virginia	
Darlington		Balta	Mooreton	Bloxom	Hillsboro
		Binford	Ray	Christiansburg	Hillsville
Iowa		Dazey	Regent		
Bancroft	Pisgah	Dodge City	Ross		
Bronson	Ruthven	Fullerton	Tolna		
Iowa Falls	Stockton				
Lebertyville	Walnut				
Panama					
Kansas		Ohio		Washington	
Beattie	Manhattan	Newburgh Heights	South Bloomfield	Ferndale	
Burr Oak	Raymond	Rushville	Xenia	Bath	
Cambridge	Rolla				
Cottonwood Falls	Rush Center				
Ellis	Sabetha				
Emmett	Seward				
Hepler	Stark				
Herndon	Tipton				
Holcomb	Zenda				
Johnson City					
Kentucky		Oklahoma		West Virginia	
Burkesville	Walton	Aline	Healdton		
Nicholasville		Arapaho	Jones		
		Blackburn	Locust Grove		
		Broken Bow	New Alluwe		
		Cache	Newkirk		
		Cleo	Ochelata		
		Colbert	Okay		
		Colcord	Ravia		
		Cole	Roosevelt		
		Cooperton	Sparks		
		Covington	Thackerville		
		Dibble	Tushka		
		Disney	Valliant		
		Gans	Verden		
		Garvin	Watonga		
		Greenfield			
Louisiana		Oregon		Alabama	
Carencro	Estherwood	Independence	Phoenix	Adamsville	Leesburg
Dubach	Iota	Jefferson	Siletz	Avon	Malvern
		Ontario		Berry	Monroeville
				Branchville	Owens Cross Roads
				Cowarts	Shilo
				Eva	Valley City
				Crimes	Wilmer
Maryland		Pennsylvania		Alaska	
Eagle Harbor		Green Lane	West Conshohocken	Akiachak	Klwock
		Highspire		Aleknagik	Nome
				Ambler	Ouzinkie
				Hoonah	Pelican
				Hydaburg	Port Heiden
				Kake	Wainwright
Minnesota		South Carolina		Arizona	
Clinton	Grygla	Bonneau	Landrum	Fredonia	Tcileson
Good Thunder	Wilton	Eastover	Summit	Prescott	
		Fountain Inn			
Mississippi		South Dakota		Arkansas	
Abbeville	Lake	Lebanon	Sturgis	Alexander	Lowell
Caledonia	Meadville	Ramona	Warner	Austin	McCaskill
Enterprise	Pachuta			Belefonte	Mineral Springs
Flowood	Ripley			Bethel Heights	Pleasants Plains
Hatley	Sumrall			Centerton	Sedgwick
Jumpertown	Tremont			Central City	Siloam Springs
				Flippin	Stuttgart
Missouri		Tennessee		Greenland	Tinsman
Bourbon	Hollister	Maryville		Hartman	Tontitown
Brashear	Kingsville			Hickory Ridge	Weiner
Cape Girardeau	Knob Noster			Highfill	Weldon West Fork
Chula	Missouri City			Lakeview	Whelen Springs
Duenweg	Otterville			Little Flock	
Hawk Point	Pilot Grove				
Hermitage	Wooldridge				
Montana		Texas		California	
Belt	West Yellowstone	Oglesby		Artesia	Healdsburg
Richey		Orange Grove		Calistoga	Newman
		Point		Gradena	
		Post			
		Post Oak Bend City			
		Reklaw			
		Roscoe			
		Ross			
		San Felipe			
		Sanger			
		San Patricio			
		Silsbee			
		Smyer			
		Tatum			
		Texhoma			
		Tioga			
		Tuscola			
		Venus			
		Waller			
		Wells			
		Willis			
		Wilson			
		Winona			
Nebraska		Utah		Colorado	
Amherst	Raymond			Akron	Eaton
Brainard	Rockville			Black Hawk	Erie
Niobrara	Union			Crawford	Fairplay
				Creed	Fleming
				Crook	Fort Morgan
				De Beque	Genoa
				Deer Trail	Grand Junction
				Durango	Haxtun
				Eads	Hillrose
				Eagle	Jamestown
New Jersey		Virginia			
Pine Hill	Sussex				
New Mexico		Washington			
Cuba	Logan				
Hatch	Truth or Consequences				
New York		West Virginia			
Arkport	Richburg				
Forestville	Windsor				
Palmyra					

V. The following list contains the names of those small cities which met the minimum standards of physical and economic distress as of the June 8, 1982 Notice but which do not meet the current minimum standards. The final date for submission of an application by the cities listed below is August 31, 1984.

Leadville
Lyons
Manitou Springs
Merino
Montrose
New Castle
Norwood

Nucla
Paonia
Prospect Heights
Severance
Stratton
Vons
Wray

Connecticut

Derby
Stonington

Delaware

Dagsboro
Felton
Newport
Ocean View
Selbyville
Viola

Florida

Belle Glade
Dade City
Dunnellon
Grand Ridge
Green Ridge Spring
Greenwood
Jay
McIntosh
Newberry
Ocean Breeze Park
Oviedo
Pahokee
Palm Shores
Penney Farms
Pomona Park
Raiford
Shalimar
Sneads
St. Cloud
St. Lucie
Weeki Wachee Springs

Georgia

Adel
Alston
Arnoldsville
Bellville
Bethlehem
Blythe
Bogart
Chickamauga
Cleveland
Commerce
Corinth
Culloden
Demorest
Dillard
Douglas
Dublin
Funston
Gainesville
Good Hope
Gray
Hapeville
Haralson
Hiawassee
Hoschton
Jakin
Jefferson
Jesup
Maysville
Milan
Moreland
Morgan
Mount Zion
Mountain City
Nicholson
Nunez
Orchard Hill
Pendergrass
Pine Mountain
Ray City
Hammond
Ropoville
Sharpsburg
Soperton
Statesboro
Swainsboro
Tallulah Falls
Thunderbolt
Trenton
Tunnel Hill
Turin
Twin City
Valdosta
Van Wert
Watkinsville
Zebulon

Idaho

Arimo
Basalt
Cambridge
Culdesac
Dietrich
Filer
Franklin
Georgetown
Hamer
Hazelton
Juliaetta
Kimberly
Malad City
Murtaugh
Paris
Parker
Paul
Peck
Richfield
St. Charles
State Line
Swan Valley
Winchester

Illinois

Addieville
Albion
Allenville
Altamont
Amboy
Anchor
Anna
Arenzville
Arthur
Ashmore
Athens
Atkinson
Basco
Beardstown
Bellmont
Biggsville
Bradford
Browns
Bryant
Buckley

Campbell Hill
Canton
Cantrall
Carthage
Chaplin
Chebanse
Cherry
Cissna Park
Coal City
Compton
Coulterville
Crainville
Cullom
Dallas City
De Land
De Witt
Divernon
Dixon
Donovan
Dunfermline
East Cape Girardeau
East Dubuque
Elizabeth
Elk Hart City
Ellisville
Ellsworth
Elvaston
Emden
Erie
Evansville
Farmersville
Ferris
Findlay
Flanagan
Fosland
Franklin Grove
Fults
Galena
Gays
Golden Gate
Good Hope
Granite City
Grayville
Hammond
Hindsboro
Hollowayville
Illiopele
Industry
Ipava
Jacksonville
Johnsonville
Kaskaskia
Kempton
Kenney
Kincaid
La Fayette
Lakemoor
Lanark
Lima
Lincoln
Little York
Lockport
Lomax
Lostant
Lyndon
Malta
Martinton
Mason City
Mattoon
McCook
Medora
Mill Creek
Milledgeville

Moorisville
Mount Auburn
Mount Pulaski
Naplate
Naples
Neponset
New Baden
New Bedford
New Berlin
Newman
Newton
Nilwood
Nokomis
Nora
Oakford
Odell
Ogden
Old Mill Creek
Palestine
Parkersburg
Paxton
Pearl City
Pecatonica
Perry
Peru
Petersburg
Pierron
Pinckneyville
Pinegrove
Pittsfield
Pontotoc
Prairie du Rocher
Raritan
Raymond
Richmond
Rock Falls
Saunemin
Schram City
Sesser
Shelbyville
Sheridan
Spartan
Spring Bay
St. Francisville
St. Jacob
St. Peter
St. Marie
Stockton
Stonington
Strasburg
Sublette
Symerton
Taylorville
Thomson
Tilden
Toledo
Tovey
Urbain
Valier
Venedy
Vergennes
Villa
Walnut Hill
Walshville
Waltonville
Washburn
Waterman
Waverly
Wellington
Windsor
Winslow
Woodland
Yale

Indiana

Fort Branch
Fremont
Elkader
Elkport
Emerson
Essex
Fairfield
Farley
Farmersburg
Farmington
Fertile

Millhouses
Monterey
Mout Ayr
Mount Vernon
New Harmony
North Salem
North Webster
Owensville
Oxford
Patoka
Petersburg
Poneto
Poseyville

Iowa

Ackworth
Adair
Algona
Alta
Alta Vista
Alton
Anita
Aplington
Archer
Arnolds Park
Arthur
Aspinwall
Audubon
Avoca
Bassett
Battle Creek
Beacon
Beaman
Beaver
Bennett
Benton
Bertram
Birmingham
Blairsburg
Blanchard
Bouton
Braddyville
Brayton
Breda
Bristow
Buffalo
Bussey
Calmar
Calumet
Cascade
Chariton
Cherokee
Chester
Churdan
Clarion
Clarksburg
Clio
Coon Rapids
Coppock
Coulter
Cresco
Creston
Cushing
Dana
Dedham
Defiance
Delmar
Dexter
Doon
Dow City
Dunkerton
Eddyville
Edgewood
Eldora
Elgin
Elk Horn
Elkader
Elkport
Emerson
Essex
Fairfield
Farley
Farmersburg
Farmington
Fertile

Princeton
Russellville
Sandborn
Shamrock Lakes
Somerville
Spurgeon
St. Paul
Staunton
Stilesville
Trafalgar
Utica
Vera Cruz
Westport

Floyd
Fort Dodge
Fremont
Garber
Garneville
Garwin
Gibson
Glidden
Goose Lake
Gowrie
Grand Mound
Granville
Greenfield
Guernsey
Guttenberg
Hamburg
Hancock
Hansell
Harcourt
Harper
Hartley
Hartwick
Hawarden
Hawleyton
Henderson
Hepburn
Holland
Holy Cross
Hospers
Hubbard
Humboldt
Irwin
Jamaica
Jewell Junction
Kanawha
Keosauqua
Kewick
Kimballton
Kingsley
Kirkman
Ladora
Lake City
Lake View
Lakota
Larrabee
Latimer
Laurens
Ledyard
Lehigh
Leghton
Lenox
Lester
Lewis
Lidderdale
Lockridge
Lowden
Luana
Luther
Lynnville
Malcom
Mallard
Maloy
Malvern
Manilla
Manly
Manning
Manson
Marengo
Matlock
Maynard

Melvin
Meriden
Merrill
Meservey
Milford
Millesburg
Millville
Minburn
Minden
Mingo
Mitchell
Moneta
Monticello
Montour
Moorhead
Moorland
New Hampton
New Hartford
Newell
Newton
Nodaway
North Buena Vista
North English
Odebolt
Ogden
Olds
Olin
Oneida
Orchard
Osage
Osceola
Osterdock
Ottosen
Owasa
Oxford
Packwood
Palmer
Parkersburg
Patterson
Paullina
Plan
Pleasantville
Prescott
Quasqueton
Radcliffe
Rake
Ralston
Randalia
Randall
Red Oak
Redfield
Remsen
Riceville
Rickardsville
Ridgeway
Rippey

Rock Valley
Rockwell
Rockwell City
Rodman
Roland
Rolf
Rossie
Rowan
Royal Rutland
Sac
Salix
Sanborn
Sandyville
Schaller
Shambaugh
Sheffield
Shenandoah
Sherrill
Silver City
Soldier
Spring Hill
St. Charles
St. Marys
Stanley
Stanton
Stockport
Stuart
Sully
Summer
Superior
Swea City
Terril
Thornton
Titonka
Toledo
Truesdale
Truro
Turin
Union
University Park
Van Horne
Varina
Wallingford
Wapello
Webb
Webster City
West Band
Westgate
Westside
Winfield
Woodbine
Woolstock
Worthington
Wyoming
Yorktown
Zearing

Kansas

Admire
Agra
Alma
Ata Vista
Altamont
Alton
Arkansas City
Ashland
Atlanta
Belle Plaine
Belleville
Belvue
Benton
Beverly
Bird City
Bogue
Bunker Hill
Burden
Burdett
Burlingame
Burlington
Burton
Bushton
Canton
Chanute
Chase
Cimarron

Claffin
Clayton
Coats
Coldwater
Conway Springs
Cullison
Cunningham
Danville
Deerfield
Delia
Dexter
Douglass
Edmond
Effingham
El Dorado
Ellsworth
Esbon
Eskridge
Fowler
Frankfort
Frontenac
Galatia
Garden Plain
Garfield
Garnett
Gas
Gem

Girard
Glen Elder
Goessel
Grainfield
Greeley
Greensburg
Grinnell
Gypsum
Hanston
Harris
Harveyville
Havana
Havensville
Hiawatha
Hollenberg
Holton
Hope
Hunnewell
Hutchinson
Independence
Iola
Jetmore
Kanopolis
Kensington
La Cygne
Lancaster
Lebo
Lecompton
Leon
Liberty
Linsborg
Linwood
Little River
Long Island
Longton
Madison
Manter
Marion
Matfield Green
Mayetta
McFarland
Moran
Mount Hope
Nashville
Neodesha

Allensville
Burnside
Caseyville
Centertown
Dycusburg
Fairview
Hanson
Hollyvilla
Kenton Vale
Mackville
Mentor

Addis
Athens
Alanta
Benton
Breaux Bridge
Brusly Landing
Cankton
Covington
Downsville
Duson
Eunice

Bath
Ellsworth

Accident
Burkittsville
Chesapeake Beach
Clear Spring
Glen Echo
Keedysville

Neosho Rapids
Ness City
New Albany
Ogden
Oketo
Osage
Osawatomie
Oskaloosa
Overbrook
Oxford
Palco
Pomona
Potwin
Pretty Prairie
Quinter
Ransom
Reading
Riley
Rozel
Satanta
Sedan
Seneca
Simpson
Smolan
Speed
St. George
St. Marys
St. Paul
Stockton
Syracuse
Timken
Tribune
Uniontown
Vermillion
Victoria
Viola
Wakeeney
Waterville
Webber
Westphalia
Willis
Wilmore
Winfield
Woodbine

Kentucky

Morganfield
Powderly
Sebree
Slaughterville
Strathmoor Village
Sturgis
Uniontown
Waverly
Whitesville
Williamstown
Wingo

Louisiana

Hessmer
Ida
Killian
Mermentau
Mooringsport
Noble
Norwood
Port Allen
St. Martinville
Vinton

Maine

Saco

Maryland

Myersville
New Market
Oxford
Preston
Seat Pleasant
Woodsboro

Massachusetts

Melrose
Newburyport
Peabody

Michigan

Augusta
Brooklyn
Chatham
Chesaning
Free Soil
Grand Haven
Kaleva
Kent City
Kingston
Lake Angelus
Lake Ann
Lake City
Mayville
Negaunee
Pentwater
Richland
South Rockwood
Zeeland

Minnesota

Adams
Albert Lea
Alden
Appleton
Ashby
Atwater
Austin
Balaton
Barnesville
Beaver Bay
Beaver Creek
Benson
Bird Island
Blooming Prairie
Brownsville
Brownston
Buhl
Burtrum
Butterfield
Caledonia
Cambell
Chokio
Clarkfield
Clearwater
Cokato
Comstock
Dakota
Darwin
Dassel
Dawson
Dexter
Dilworth
Donnelly
Doran
Dover
Dovray
East Gull Lake
Easton
Eitzen
Elba
Elgin
Elizabeth
Ellsworth
Elysian
Fountain
Foxhome
Franklin
Freeborn
Garrison
Geneva
Gibbon
Glenville
Graceville
Granada
Greenwald
Halstad
Hancock
Hartland
Hendrum
Holdingford
Iona
Isle
Ivanhoe
Kasota
Kiester
Kinbrae
Kinney
Lafayette
Lake Henry
Lake Shore
Le Sueur
Leonidas
Lester Prairie
Lindstrom
Long Prairie
Lyle
Madelia
Manchester
Mantorville
Mazeppa
Medicine Lake
Melrose
Miesville
Milaca
Milroy
Montgomery
Monticello
Morristown
Morton
Myrtle
New Market
Nielsville
North Redwood
Ormsby
Panesville
Pease
Pennock
Pine Island
Preston
Princeton
Renville
Rock Creek
Roosevelt
Round Lake
Rush City
Rushmore
Russell
Silver Lake
Sleepy Eye
South Haven
South International Falls
St. Charles
St. Joseph
Storden
Taylors Falls
Tintah
Trosky
Urbank
Utica
Viking
Wahkon
Welcome
Wendell
Wilder
Willernie
Winnebago
Winton
Wolverton
Wood Lake
Woodstock

Booneville
Learned
Liberty
Morton
Newhebron

Oxford
Sebastopol
Sylarena
Tillatoba
Walthall

Advance
Alma
Arbela
Aullville
Auxvasse
Baker
Bertrand
Bethel
Blackburn
Blairstown
Bloomsdale
Bosworth
Brooklyn Heights
Cairo
Cameron
Center
Clarkdale
Clearmont
Clifton Hill
Concordia
Cottleville
Cowgill
De Kalb
Dearborn
Deerfield
Drexel
Edgar Springs
Ellington
Elmira
Flinthill
Ford City
Forest City
Freeman
Gibbs
Gunn City
Hallsville
Haltown
Hartwell
Harwood
Herculaneum
High Hill
Iatan
Jasper
Kidder
Kimmswick
Laclede
Lamar Heights
Leonard
Levasy
Lincoln
Mackenzie
Maitland
Marceline
Marshall
Mendon

Merwin
Milo
Mokane
Monett
Monore City
Monticello
Morresville
Morrissville
Napoleon
New Franklin
New London
Northweye
Novelty
Oregon
Orrick
Parksdale
Parkville
Passaic
Phelps City
Pleasant Hill
Pleasant Hope
Polo
Portage Des Sioux
Renick
Rhineland
Richmond
Rock Port
Rosebud
Rothville
Rushville
Salisbury
Savannah
St. Cloud
Ste Genevieve
Sturgeon
Sunrise Beach
Taos
Tarsney Lakes
Theodosia Hills
Tina
Tindall
Tipton
Tracy
Troy
Turney
Urich
Weatherby
Wellington
Wentworth
Westboro
Weston
Wheeling
Whitewater
Windsor
Wittenberg

Big Tumbler
Conrad
Culbertson
Cut Bank
Dodson
Fairfield
Fairview
Fort Benton
Froid

Glasgow
Livingston
Malta
Moore
Nashua
Opheim
Valier
Virginia City

Allen
Anselmo
Atkinson
Avoca
Axtell
Bartley
Bassett

Battle Creek
Bee
Beemer
Bellwood
Bennet
Bloomfield
Bridgeport

Bruno
Byron
Cairo
Cambridge
Carroll
Center
Chapman
Chester
Clatonia
Colon
Cook
Cordova
Cotesfield
Creston
Crofton
Dalton
Danbury
Davenport
David City
Daykin
De Witt
Deshler
Dodge
Douglas
Duncan
Edison
Elba
Elm Creek
Elmwood
Elyria
Emerson
Endicott
Exeter
Fairfield
Fairmont
Fort Calhoun
Franklin
Friend
Fullerton
Gibbon
Giltner
Gothenburg
Gross
Gurley
Hamlet
Hampton
Hartington
Hayes Center
Henry
Hemingford
Hoskins
Inglewood
Jansen
Kearney
Kenesaw
Kennard
Kilgore
Lindsay
Lodgepole
Loomis
Lyons
Magnet

Gabbs

Lovelock

Alpha
Branchville
Carteret
Clayton
Corbin City
Farmingdale

Princeton
Red Bank
Rockleigh
Roosevelt
South Belmar
South River

Dora
Hope
Moriarty

Bemus Point
Borton

Texico
Williamsburg

Caledonia
Cambridge

Caledonia
Cambridge

Cooperstown
Corning
Dering Harbor
East Bloomfield
Elmsford
Farmingdale
Gilbertsville
Grand View-On-Hudson
Hillburn
Kenmore
Liverpool
Lynbrook
Madison
Mayville
Mexico
Millbrook
Mount Kisco
Nelsonville

Albemarle
Bayboro
Beargrass
Canton
Carthage
Catawba
Cherryville
Columbus
Creedmoor
Crossnore
East Bend
Franklin
Goldston
Granite Quarry
Grifton
Harrellsville
Highland
Hookerton
Huntersville
Indian Beach

Alsen
Anther
Ardoch
Ayr
Balfour
Bantry
Belfield City
Benedict
Berwick
Bisbee
Brocket
Bucyrus
Calvin
Canton City
Carrington
Cayuga
Christine
Cleveland
Coleharbor
Conway
Davenport
Devils Lake
Dunn Center City

Dwight
Egeland
Enderlin
Epping
Fairmount
Fingal
Gackle
Galesburg
Gardner
Glen Ullin
Golden Valley Ci
Halliday City
Hamilton
Hannaford
Hove Mobile Pari
Jamestown
Killdeer City
Knox
La Moure
Lankin
Lansford

Nyack
Oneida Castle
Otego
Phelps
Port Dickinson
Prospect
Sag Harbor
Sandy Creek
Schaghticoke
Scotia
Sherrill
Sinclairville
Sloatsburg
Solvay
South Corning
Tuckahoe
Unadilla
Westhampton Beach

Lake Lure
Mesic
Mount Pleasant
Newton Grove
Oakboro
Oriental
Pantego
Pinebluff
Ramseur
Rolesville
Seagrove
Southern Pines
Stanley
Stem
Swansboro
Waxhaw
Webster
Wilkesboro
Yadkinville

Larson
Lisbon
Litchville
Luverne
Maddock
Mapleton
Marion
Mercer
Merricourt
Milnor
Minnewaukan
Mountain
Mylo
Nekoma
New Rockford
New Salem
Niagara
Northwood
Osnabrock
Page
Palermo
Pillsbury
Rhame
Richardson City
Rocklake
Rugby
Sawyer
Sentinel Butte
Sharon
Sherwood
South Heart City
Stanley
Tower City
Valley Township
Ventura
Walcott
Wales
Warwick
Wildrose
Wolford
Woodworth
Wyndmere
Zap City

Ohio

Aberdeen
Aquila
Arlington
Baltic
Bellevue
Benton Ridge
Blanchester
Bolivar
Burkettsville
Butterville
Carroll
Castalia
Chippewa-on-the-Lake
Clayton
Convoy
Cygnit
Deer Park
East Sparta
Fairfax
Fort Jennings
Galena
Gilboa
Gnadenhutten
Grand River
Jacksonville
Jenera
Jeromesville
Jerusalem
Johnstown
Killbuck
Lancaster
Leesville
Lindsey
Lithopolis
London
Lore City
Marblehead
Metamora
Miller City
Millersport
Mount Blanchard
Mutual
New Albany
New Knoxville
New Rome
New Vienna
New Weston
Ney
North Bend
Octa
Parral
Patterson
Pleasantville
Prospect
Rawson
Spencer
Summitville
Thurston
Washingtonville
Wilmington

Oklahoma

Addington
Alex
Alva
Ames
Amorita
Ardmore
Arnett
Bernice
Bessie
Blanchard
Bluejacket
Bray
Buffalo
Calumet
Canute
Cherokee
Chickasha
Claremore
Colony
Crescent
Cushing
Dickson
Dover
El Reno
Fallis
Foraker
Gage
Goltry
Hickory
Hinton
Hickcock
Hunter
Kiefer
Leedey
Loveland
Loyal
Medford
Millerton
Mounds
Mutual
Nardin
Okarche
Orlando
Perkins
Renfrow
Reydon
Ringwood
Rocky
Roland
Shady Grove
Shady Point
Silo Town
South Coffeyville
Sterling
Stratford
Strong City
Tecumseh
Thomas
Tonkawa
Tribbey
Vici
Warner
West Siloam Springs
Westport
Wynona

Oregon

Adrian
Atelope
Barlow
Donald
Hubbard
Ione
Lostine
Manzanita
Silverton
Summerville
Sumpter
Waterloo
Williamian

Pennsylvania

Adamstown
Avalon
Beavertown
Bendersville
Biglerville
Braddock Hills
Brisbin
Bruin
Burlington
Cherry Tree
Cokeburg
Collegeville

Connoquenessing

Conway
Dallas
Dormont
Dravosburg
Duncannon
Dunley
Eagles Mere
East Berlin
Eddystone
Evans City
Fairview
Foxburg
Franklin City
Glenolden
Goldsboro
Gratz
Hallam
Homor City
Homewood
Hunker
Jacksonville
Jefferson
Karns City
Kenhorst
Laporte
Lincoln
Little Meadows
Marietta
McEwensville
McKean

South Carolina

Beaufort
Chapin
Conway
Loyal
Cordova
Easley
Hemingway
Honea Path
Pacolet
Prosperity
Ridgeway
Santee
Scotia
Smyrna
Stuckey
West Columbia

South Dakota

Arlington
Aurora
Beresford
Big Stone City
Bison
Bruce
Bushnell
Cavour
Central City
Chancellor
Colman
Corsica
Cottonwood
Cresbard
Dell Rapids
Dimock
Doland
Elk Point
Estelline
Fairview
Farmer
Flandreau
Florence
Gayville
Hartford
Hecla
Henry
Hudson
Humboldt
Irene
Kadoka
Kennebec
La Bolt
Lead
Lennox
Lily
Loyalton
Milbank
Monroe
Mound City
Northville
Onaka
Onida
Ree Heights
Rosholt
Roswell
Salem
Sinai
Stratford
Tulsa
Vilas
Volga
White Rock

Tennessee

Blaine
Braden
Cedar Hill
Franklin
Gadsden
Lakeland
Lynchburg
Medon
Michie
Normandy
Oliver Springs
Piperton
Pittman Center
Rockford
Sevierville
Soddy-Daisy
South Carthage
Townsend

Midway

Mount Penn
New Baltimore
New Eagle
New Washington
Newburg
North Belle Vernon
Pennsburg
Perkasie
Roscoe
Royersford
Seven Valleys
Smicksburg
Snyderstown
Springdale
St. Marys
Steelton
Summerhill
Townville
Trafford
Trainer
Tunnelhill
Utica
Versailles
Waymarat
West Sunbury
Wheatland
Whitaker
Williamstown
Wrightsville
Yorkana

Texas

Alice
Alvarado
Alvord
Ames
Anahuac
Anton
Athens
Barry
Barstow
Bayside
Blackwell
Bonney
Bowie
Boyd
Bronson
Bronte
Brownsboro
Buda
Centerville
Chico
China
Cibola
Clarksburg City
Cleveland
Coahoma
Coffee City
Coldspring
Crandall
Dell City
Dorchester
Eastland
Edom
Eldorado
Follett
Fisco
Gallatin
Gray
George West
Gholson
Gilmer
Godley
Golinda
Gordon
Grandfalls
Grayburg
Gunter
Hart
Haslet
Henrietta
Huntington
Jasper
Jewett
Johnson City
Joshua
Krum
Lake Worth
Lamesa
Latexo
Lavon
Lawn
Lincoln Park
Lorenzo
Lovelady
Lowery Crossing
Marietta
Millsap
Mustang
Nome
O'Brien
Odem
Onalaska
Pattison
Pittsburg
Pleasanton
Plum Grove
Point Blank
Ponder
Poth
Pottsboro
Poynor
Quinlan
Quintana
Rice
Riesel
Rio Vista
Riverside
Sadler
Sansom Park Village
Savoy
Seagraves
Sealy
Stratford
Surfside Beach
Three Rivers
Tom Bean
Trent
Walnut Springs
Weinert
West
Wharton
Winfield
Woodville

Utah

Altamont
Amalga
Bear River City
Cannonville
Clarkston
Delta
Garland
Helper
Henefer
Henrieville
Hinckley
Honeyville
Joseph
Kamas
Legmington
Lewiston
Lindon
Loa
Manila
Marysville
Millville
Orderville
Paragonah
Perry
Plymouth
Redmond
Richfield
Springdale

Vermont

Hyde Park
Newfane
Readsboro
Saxtons River

Virginia

Belle Haven
Berryville
Big Stone Gap
Boyce
Eastville
Elkton
Fincastle
Floyd
Madison
New Market
Occoquan
Purcellville
Rick Creek
South Boston
Staunton
Stuart
Surry
Warrenton
Washington

Washington

Almira	Pomeroy
Carbonado	Rosalie
Endicott	Ruston
La Crosse	Snoqualmie
Lamont	St. John
Langley	Waitsburg
Leavenworth	Waterville
Oakesdale	Wilbur
Pe Ell	

West Virginia

Belle	Leon
Bolivar	Montrose
Chesapeake	Nitro
Eleanor	Oak Hill
Ellenboro	Quinwood
Harpers Ferry	West Logan
Jane Lew	

Wisconsin

Adams	Juneau
Alma	Kaukauna
Arena	Kekoskee
Argyle	Kendall
Arpin	Knapp
Auburndale	Lake Nebagamon
Barron	Lone Rock
Benton	Lynxville
Biramwood	Mazomanie
Black Earth	Menasha
Bloomer	Mondovi
Boscobel	Montfort
Boyd	Mount Sterling
Brandon	Muscoda
Buffalo	Niagara
Cadott	Norwalk
Cassville	Oconomowoc Lake
Cecil	Oliver
Chaseburg	Pepin
Chetek	Peshtigo
Chilton	Pigeon Falls
Clear Lake	Plainfield
Clyman	Plum City
Cobb	Port Washington
Coleman	Prairie Du Chien
Colfax	Pulaski
Dane	Rice Lake
Dorchester	Rockdale
Doylestown	Rudolph
Dresser	Scandinavia
Eden	Shiocton
Egg Harbor	Shullsburg
Eland	Sister Bay
Elk Mound	Spring Valley
Elmwood	Stetsonville
Fairwater	Stockbridge
Fennimore	Sullivan
Ferryville	Superior
Fontana-on-Geneva Lake	Union Center
Forestville	Vesper
Fountain City	Viola
Friendship	Waldo
Friesland	Waupaca
Genoa	Wauzeka
Glen Flora	Weyauwega
Highland	Williams Bay
Hillsboro	Woodville
Hustisford	Wrightstown
Iola	Wyeville
Johnson Creek	Yuba

Wyoming

Byron	Kaycee
Cokeville	La Barge
Cowley	Midwest
Dixon	Sundance
Granger	

which are in States where towns and townships may have powers comparable to the powers of municipalities. Each town and township is not listed with places in Section II because their eligibility as cities has not been determined under the criterion of 24 CFR 570.3(e), which requires that they (1) have powers and performs functions comparable to municipalities, (2) are closely settled and (3) have corporation agreements with all incorporated places within their boundaries. Requests for waivers of the closely settled requirement from towns and townships which meet all other requirements may be waived by the Secretary on a case by case basis. The asterisk shown in front of the name of some towns or townships indicates that those towns or townships contain an incorporated place within their boundaries.

Connecticut

- * Killingly Town, Windham County
- * Putnam Town, Windham County
- Sterling Town, Windham County
- Thompson Town, Windham County
- Voluntown Town, New London County
- Winchester Town, Litchfield County
- * Windham Town, Windham County

Maine

Abbot Town, Piscataquis County
 Addison Town, Washington County
 Albion Town, Kennebec County
 Alexander Town, Washington County
 Allagash Town, Aroostook County
 Alna Town, Lincoln County
 Amherst Town, Hancock County
 Amity Town, Aroostook County
 Andover Town, Oxford County
 Anson Town, Somerset County
 Appleton Town, Knox County
 Ashland Town, Aroostook County
 Athens Town, Somerset County
 Aurora Town, Hancock County
 Avon Town, Franklin County
 Baileyville Town, Washington County
 Baldwin Town, Cumberland County
 Bancroft Town, Aroostook County
 Beals Town, Washington County
 Beddington Town, Washington County
 Belmont Town, Waldo County
 Benedicta Town, Aroostook County
 Bethel Town, Oxford County
 Bingham Town, Somerset County
 Blaine Town, Aroostook County
 Blanchard Plantation, Piscataquis County
 Blue Hill Town, Hancock County
 Boothbay Harbor Town, Lincoln County
 Boothbay Town, Lincoln County
 Bradford Town, Penobscot County
 Bremen Town, Lincoln County
 Bridgewater Town, Aroostook County
 Brighton Plantation, Somerset County
 Bristol Town, Lincoln County
 Brooklin Town, Hancock County
 Brooksville Town, Hancock County
 Brooks Town, Waldo County
 Brownfield Town, Oxford County
 Brownville Town, Piscataquis County
 Buckfield Town, Oxford County

Bucksport Town, Hancock County
 Burlington Town, Penobscot County
 Burnham Town, Waldo County
 Byron Town, Oxford County
 Cambridge Town, Somerset County
 Canaan Town, Somerset County
 Canton Town, Oxford County
 Caratunk Plantation, Somerset County
 Carmel Town, Penobscot County
 Carroll Plantation, Penobscot County
 Carthage Town, Franklin County
 Cary Plantation, Aroostook County
 Castle Hill Town, Aroostook County
 Caswell Plantation, Aroostook County
 Chapman Town, Aroostook County
 Charleston Town, Penobscot County
 Charlotte Town, Washington County
 Chelsea Town, Kennebec County
 Cherryfield Town, Washington County
 Chesterville Town, Franklin County
 Chester Town, Penobscot County
 Clinton Town, Kennebec County
 Codyville Plantation, Washington County
 Columbia Falls Town, Washington County
 Columbia Town, Washington County
 Cooper Town, Washington County
 Corinna Town, Penobscot County
 Corinth Town, Penobscot County
 Cornish Town, York County
 Cornville Town, Somerset County
 Crawford Town, Washington County
 Crystal Town, Aroostook County
 Cutler Town, Washington County
 Cyr Plantation, Aroostook County
 Dallas Plantation, Franklin County
 Damariscotta Town, Lincoln County
 Danforth Town, Washington County
 Deblois Town, Washington County
 Deer Isle Town, Hancock County
 Dennysville Town, Washington County
 Detroit Town, Somerset County
 Dexter Town, Penobscot County
 Dixfield Town, Oxford County
 Dixmont Town, Penobscot County
 Dover Foxcroft Town, Piscataquis County
 Dresden Town, Lincoln County
 Drew Plantation, Penobscot County
 Durham Town, Androscoggin County
 Dyer Brook Town, Aroostook County
 Eagle Lake Town, Aroostook County
 Easton Town, Aroostook County
 East Machias Town, Washington County
 Edgecomb Town, Lincoln County
 Edinburg Town, Penobscot County
 Emeden Town, Somerset County
 Etna Town, Penobscot County
 Eustis Town, Franklin County
 Exeter Town, Penobscot County
 E Plantation, Aroostook County
 Fairfield Town, Somerset County
 Farmington Town, Franklin County
 Fort Fairfield Town, Aroostook County
 Fort Kent Town, Aroostook County
 Frankfort Town, Waldo County
 Franklin Town, Hancock County
 Freedom Town, Waldo County
 Frenchville Town, Aroostook County
 Fryburg Town, Oxford County
 Garfield Plantation, Aroostook County
 Garland Town, Penobscot County
 Georgetown Town, Sagadahoc County
 Gilead Town, Oxford County
 Gouldsboro Town, Hancock County
 Grand Isle Town, Aroostook County

VI. The following list contains the names of towns and townships which meet the minimum standards for physical and economic distress and

Grand Lake Stream Planta, Washington County
 Greenfield Town, Penobscot County
 Greenville Town, Piscataquis County
 Greenwood Town, Oxford County
 Hamlin Town, Aroostook County
 Hammond Plantation, Aroostook County
 Hancock Town, Hancock County
 Hanover Town, Oxford County
 Harmony Town, Somerset County
 Harrington Town, Washington County
 Harrison Town, Cumberland County
 Hartford Town, Oxford County
 Hartland Town, Somerset County
 Haynesville Town, Aroostook County
 Hebron Town, Oxford County
 Hersey Town, Aroostook County
 Highland Plantation, Somerset County
 Hiram Town, Oxford County
 Hodgdon Town, Aroostook County
 Hollis Town, York County
 Hope Town, Knox County
 Houlton Town, Aroostook County
 Howland Town, Penobscot County
 Industry Town, Franklin County
 Island Falls Town, Aroostook County
 Islesboro Town, Waldo County
 Isle Au Haut Town, Knox County
 Jackman Town, Somerset County
 Jackson Town, Waldo County
 Jefferson Town, Lincoln County
 Jonesboro Town, Washington County
 Jonesport Town, Washington County
 Kenduskeag Town, Penobscot County
 Kingfield Town, Franklin County
 Knox Town, Waldo County
 LaGrange Town, Penobscot County
 Lebanon Town, York County
 Leeds Town, Androscoggin County
 Lee Town, Penobscot County
 Levant Town, Penobscot County
 Liberty Town, Waldo County
 Limestone Town, Aroostook County
 Limington Town, York County
 Lincolnville Town, Waldo County
 Lincoln Plantation, Oxford County
 Lincoln Town, Penobscot County
 Linnues Town, Aroostook County
 Littleton Town, Aroostook County
 Long Island Plantation, Hancock County
 Lubec Town, Washington County
 Ludlow Town, Aroostook County
 Machiasport Town, Washington County
 Machias Town, Washington County
 Macwahoc Plantation, Aroostook County
 Madawaska Town, Aroostook County
 Madison Town, Somerset County
 Madrid Town, Franklin County
 Mapleton Town, Aroostook County
 Mariaville Town, Hancock County
 Marshfield Town, Washington County
 Mars Hill Town, Aroostook County
 Masardis Town, Aroostook County
 Mattawamkeag Town, Penobscot County
 Meddybemps Town, Washington County
 Medford Town, Piscataquis County
 Mercer Town, Somerset County
 Merrill Town, Aroostook County
 Mexico Town, Oxford County
 Milbridge Town, Washington County
 Monhegan Plantation, Lincoln County
 Monroe Town, Waldo County
 Monson Town, Piscataquis County
 Monticello Town, Aroostook County
 Montville Town, Waldo County
 Moose River Town, Somerset County

Moro Plantation, Aroostook County
 Morrill Town, Waldo County
 Moscow Town, Somerset County
 Mount Chase Plantation, Penobscot County
 Mount Vernon Town, Kennebec County
 Naples Town, Cumberland County
 Nashville Plantation, Aroostook County
 Newcastle Town, Lincoln County
 Newfield Town, York County
 Newport Town, Penobscot County
 New Canada Plantation, Aroostook County
 New Gloucester Town, Cumberland County
 New Limerick Town, Aroostook County
 New Portland Town, Somerset County
 New Sweden Town, Aroostook County
 New Vineyard Town, Franklin County
 Nobleborough Town, Lincoln County
 Norridgewock Town, Somerset County
 Northfield Town, Washington County
 Northport Town, Waldo County
 Norway Town, Oxford County
 Oakfield Town, Aroostook County
 Oakland Town, Kennebec County
 Old Orchard Beach Town, York County
 Orland Town, Hancock County
 Orono Town, Penobscot County
 Osborn Plantation, Hancock County
 Otisfield Town, Oxford County
 Otis Town, Hancock County
 Owls Head Town, Knox County
 Oxbow Plantation, Aroostook County
 Oxford Town, Oxford County
 Palermo Town, Waldo County
 Palmyra Town, Somerset County
 Paris Town, Oxford County
 Parkman Town, Piscataquis County
 Parsonsfield Town, York County
 Patten Town, Penobscot County
 Pembroke Town, Washington County
 Penobscot Town, Hancock County
 Perham Town, Aroostook County
 Perry Town, Washington County
 Peru Town, Oxford County
 Phillips Town, Franklin County
 Phippsburg Town, Sagadahoc County
 Pittsfield Town, Somerset County
 Pittston Town, Kennebec County
 Plantation No. 14, Washington County
 Plantation No. 21, Washington County
 Pleasant Ridge Plantation, Somerset County
 Plymouth Town, Penobscot County
 Portage Lake Town, Aroostook County
 Porter Town, Oxford County
 Prentiss Plantation, Penobscot County
 Princeton Town, Washington County
 Prospect Town, Waldo County
 Rangeley Town, Franklin County
 Reed Plantation, Aroostook County
 Richmond Town, Sagadahoc County
 Ripley Town, Somerset County
 Robbinston Town, Washington County
 Rome Town, Kennebec County
 Roque Bluffs Town, Washington County
 Rumford Town, Oxford County
 Sabattus Town, Androscoggin County
 Sandy River Plantation, Franklin County
 Sanford Town, York County
 Sangerville Town, Piscataquis County
 Seasmont Town, Waldo County
 Searsport Town, Waldo County
 Sebec Town, Piscataquis County
 Sedgwick Town, Hancock County
 Sherman Town, Aroostook County
 Skowhegan Town, Somerset County
 Smithfield Town, Somerset County
 Smyrna Town, Aroostook County

Solon Town, Somerset County
 Somerville Town, Lincoln County
 Southport Town, Lincoln County
 South Bristol Town, Lincoln County
 Springfield Town, Penobscot County
 Stacyville Town, Penobscot County
 Starks Town, Somerset County
 Stetson Town, Penobscot County
 Steuben Town, Washington County
 Stockholm Town, Aroostook County
 Stockton Springs Town, Waldo County
 Stoneham Town, Oxford County
 Stonington Town, Hancock County
 Strong Town, Franklin County
 St. Agatha Town, Aroostook County
 St. Albans Town, Somerset County
 St. Francis Town, Aroostook County
 St. John Plantation, Aroostook County
 Sullivan Town, Hancock County
 Sumner Town, Oxford County
 Surry Town, Hancock County
 Swans Island Town, Hancock County
 Swanville Town, Waldo County
 Talmadge Town, Washington County
 Temple Town, Franklin County
 The Forks Plantation, Somerset County
 Thorndike Town, Waldo County
 Topsfield Town, Washington County
 Tremont Town, Hancock County
 Troy Town, Waldo County
 Turner Town, Androscoggin County
 Union Town, Knox County
 Unity Town, Waldo County
 Upton Town, Oxford County
 Vanceboro Town, Washington County
 Van Buren Town, Aroostook County
 Vienna Town, Kennebec County
 Vinalhaven Town, Knox County
 Wade Town, Aroostook County
 Waldoboro Town, Lincoln County
 Waldo Town, Waldo County
 Wallagrass Plantation, Aroostook County
 Waltham Town, Hancock County
 Warren Town, Knox County
 Washburn Town, Aroostook County
 Washington Town, Knox County
 Waterford Town, Oxford County
 Webster Plantation, Penobscot County
 Weld Town, Franklin County
 Wellington Town, Piscataquis County
 Wesley Town, Washington County
 Westfield Town, Aroostook County
 Westmanland Plantation, Aroostook County
 Weston Town, Aroostook County
 Westport Town, Lincoln County
 West Forks Plantation, Somerset County
 West Paris Town, Oxford County
 Whitefield Town, Lincoln County
 Whiting Town, Washington County
 Whitneyville Town, Washington County
 Willmantic Town, Piscataquis County
 Windsor Town, Kennebec County
 Winn Town, Penobscot County
 Winterport Town, Waldo County
 Winterville Plantation, Aroostook County
 Winter Harbor Town, Hancock County
 Wiscasset Town, Lincoln County
 Woodland Town, Aroostook County
 Woodstock Town, Oxford County

Massachusetts

Adams Town, Berkshire County
 Amherst Town, Hampshire County
 Athol Town, Worcester County
 Ayer Town, Middlesex County

Blackstone Town, Worcester County
 Brookfield Town, Worcester County
 Buckland Town, Franklin County
 Charlemont Town, Franklin County
 Clinton Town, Worcester County
 Cummington Town, Hampshire County
 Fairhaven Town, Bristol County
 Gay Head Town, Dukes County
 Goshen Town, Hampshire County
 Great Barrington Town, Berkshire County
 Hancock Town, Berkshire County
 Hardwick Town, Worcester County
 Harwich Town, Barnstable County
 Heath Town, Franklin County
 Hopedale Town, Worcester County
 Hull Town, Plymouth County
 Huntington Town, Hampshire County
 Middlefield Town, Hampshire County
 Millbury Town, Worcester County
 Millville Town, Worcester County
 Monroe Town, Franklin County
 Montague Town, Franklin County
 New Braintree Town, Worcester County
 Northfield Town, Franklin County
 Oak Bluffs Town, Dukes County
 Orange Town, Franklin County
 Oxford Town, Worcester County
 Phillipston Town, Worcester County
 Plainfield Town, Hampshire County
 Plymouth Town, Plymouth County
 Provincetown Town, Barnstable County
 Rockland Town, Plymouth County
 Rowe Town, Franklin County
 Royalston Town, Worcester County
 Salisbury Town, Essex County
 Sandisfield Town, Berkshire County
 Savoy Town, Berkshire County
 Southbridge Town, Worcester County
 Sunderland Town, Franklin County
 Truro Town, Barnstable County
 Uxbridge Town, Worcester County
 Wareham Town, Plymouth County
 Ware Town, Hampshire County
 Warwick Town, Franklin County
 Webster Town, Worcester County
 Wellfleet Town, Barnstable County
 Wendell Town, Franklin County
 Westport Town, Bristol County
 West Springfield Town, Hampden County
 Williamsburg Town, Hampshire County

Michigan

Adams Township, Arenac County
 * Adams Township, Hillsdale County
 * Adams Township, Houghton County
 * Aetna Township, Mecosta County
 * Aetna Township, Missaukee County
 * Akron Township, Tuscola County
 Albee Township, Saginaw County
 Albert Township, Montmorency County
 Albion Township, Calhoun County
 Alganssee Township, Branch County
 * Allen Township, Hillsdale County
 Allis Township, Presque Isle County
 * Allouez Township, Keweenaw County
 Aloha Township, Cheboygan County
 Amber Township, Mason County
 Amboy Township, Hillsdale County
 Antioch Township, Wexford County
 Antrim Township, Shiawassee County
 * Antwerp Township, Van Buren County
 Arcadia Township, Gratiot County
 Arcadia Township, Lapeer County
 Arcadia Township, Manistee County
 Arenac Township, Arenac County
 Argyle Township, Sanilac County

Arlington Township, Van Buren County
 Arthur Township, Clare County
 Arvon Township, Baraga County
 Ashland Township, Newaygo County
 * Athens Township, Calhoun County
 Austin Township, Mecosta County
 Austin Township, Sanilac County
 Au Gres Township, Arenac County
 Au Sable Township, Roscommon County
 Au Train Township, Alger County
 Avery Township, Montmorency County
 Backus Township, Roscommon County
 Bainbridge Township, Berrien County
 Baldwin Township, Delta County
 Bangor Township, Van Buren County
 * Banks Township, Antrim County
 * Baraga Township, Baraga County
 Bark River Township, Delta County
 Barton Township, Newaygo County
 Bates Township, Iron County
 Bay De Noc Township, Delta County
 Bay Mills Township, Chippewa County
 Beaverton Township, Gladwin County
 Beaver Creek Township, Crawford County
 Beaver Township, Newaygo County
 Belknap Township, Presque Isle County
 * Bellevue Township, Eaton County
 Belvidere Township, Montcalm County
 Benona Township, Oceana County
 Bentley Township, Gladwin County
 Benton Township, Berrien County
 * Benzonia Township, Benzie County
 Bergland Township, Ontonagon County
 Berlin Township, St. Clair County
 * Berrien Township, Berrien County
 Bertrand Township, Berrien County
 Bessemer Township, Gogebic County
 Bethany Township, Gratiot County
 Bethel Township, Branch County
 Big Creek Township, Oscoda County
 Big Prairie Township, Newaygo County
 Big Rapids Township, Mecosta County
 * Bingham Township, Huron County
 Bismarck Township, Presque Isle County
 Blaine Township, Benzie County
 Bliss Township, Emmet County
 Bloomer Township, Montcalm County
 Bloomfield Township, Huron County
 Bloomfield Township, Missaukee County
 * Bloomingdale Township, Van Buren County
 Blue Lake Township, Kalkaska County
 Blue Lake Township, Muskegon County
 Bohemia Township, Ontonagon County
 Bois Blanc Township, Mackinac County
 * Boon Township, Wexford County
 * Boston Township, Ionia County
 Bourret Township, Gladwin County
 * Boyne Valley Township, Charlevoix County
 * Brady Township, Saginaw County
 Brampton Township, Delta County
 Branch Township, Mason County
 * Brant Township, Saginaw County
 Breen Township, Dickinson County
 Brevort Township, Mackinac County
 * Bridgehampton Township, Sanilac County
 Bridgeton Township, Newaygo County
 Briley Township, Montmorency County
 Brockway Township, St. Clair County
 Bronson Township, Branch County
 * Brookfield Township, Huron County
 Brown Township, Manistee County
 Bruce Township, Chippewa County
 Buchanan Township, Berrien County
 Buckeye Township, Gladwin County
 Buel Township, Sanilac County
 Buena Vista Township, Saginaw County

* Burdell Township, Osceola County
 Burleigh Township, Iosco County
 * Burlington Township, Calhoun County
 * Burlington Township, Lapeer County
 Burnside Township, Lapeer County
 * Burr Oak Township, St. Joseph County
 Burt Township, Alger County
 Burt Township, Cheboygan County
 * Bushnell Township, Montcalm County
 Butler Township, Branch County
 Butman Township, Gladwin County
 Butterfield Township, Missaukee County
 Caldwell Township, Missaukee County
 Caledonia Township, Alcona County
 Caledonia Township, Shiawassee County
 California Township, Branch County
 * Calumet Township, Houghton County
 Calvin Township, Cass County
 Cambria Township, Hillsdale County
 * Camden Township, Hillsdale County
 * Campbell Township, Ionia County
 Carp Lake Township, Emmet County
 Casco Township, Allegan County
 * Caseville Township, Huron County
 * Case Township, Presque Isle County
 * Casnovia Township, Muskegon County
 * Castleton Township, Barry County
 * Cato Township, Montcalm County
 Cedarville Township, Menominee County
 Cedar Creek Township, Wexford County
 Centerville Township, Leelanau County
 Center Township, Emmet County
 * Central Lake Township, Antrim County
 Champion Township, Marquette County
 Chandler Township, Huron County
 Chapin Township, Saginaw County
 Charlton Township, Otsego County
 Chase Township, Lake County
 Chassell Township, Houghton County
 Cherry Valley Township, Lake County
 Cheshire Township, Allegan County
 Chester Township, Eaton County
 Chestonia Township, Antrim County
 Chikaming Township, Berrien County
 Chippewa Township, Chippewa County
 Chippewa Township, Mecosta County
 Churchill Township, Ogemaw County
 Clam Union Township, Missaukee County
 Clarence Township, Calhoun County
 Clarendon Township, Calhoun County
 Clark Township, Mackinac County
 Clayton Township, Arenac County
 Clearwater Township, Kalkaska County
 Clement Township, Gladwin County
 * Cleon Township, Manistee County
 Cleveland Township, Leelanau County
 Clinton Township, Oscoda County
 Clyde Township, Allegan County
 Coldwater Township, Isabella County
 * Colfax Township, Benzie County
 Colfax Township, Oceana County
 Colfax Township, Wexford County
 Coloma Township, Berrien County
 * Colon Township, St. Joseph County
 * Columbia Township, Tuscola County
 * Columbia Township, Van Buren County
 Columbus Township, Luce County
 Comins Township, Oscoda County
 * Concord Township, Jackson County
 * Constantine Township, St. Joseph County
 Cornell Township, Delta County
 * Corwith Township, Otsego County
 Covert Township, Van Buren County
 Covington Township, Baraga County
 Cross Village Township, Emmet County

Crystal Falls Township, Iron County
 Crystal Township, Montcalm County
 Crystal Township, Oceana County
 Cumming Township, Ogemaw County
 Curtis Township, Alcona County
 Custer Township, Antrim County
 *Custer Township, Mason County
 Custer Township, Sanilac County
 Dafter Township, Chippewa County
 *Daggett Township, Menominee County
 *Dallas Township, Clinton County
 Dayton Township, Newaygo County
 Dayton Township, Tuscola County
 *Day Township, Montcalm County
 *Decatur Township, Van Buren County
 *Deep River Township, Arenac County
 *Deerfield Township, Lenawee County
 *Deerfield Township, Mecosta County
 *Delaware Township, Sanilac County
 Denver Township, Isabella County
 *Denver Township, Newaygo County
 *De Tour Township, Chippewa County
 Dickson Township, Manistee County
 Douglass Township, Montcalm County
 Dover Township, Lake County
 *Dover Township, Lenawee County
 Doyle Township, Schoolcraft County
 Drummond Township, Chippewa County
 Duncan Township, Houghton County
 *Duplain Township, Clinton County
 *Dwight Township, Huron County
 Easton Township, Ionia County
 Echo Township, Antrim County
 Eckford Township, Calhoun County
 Eden Township, Lake County
 Eden Township, Mason County
 Edwards Township, Ogemaw County
 *Elba Township, Gratiot County
 Elbridge Township, Oceana County
 Elk Township, Lake County
 *Elk Township, Sanilac County
 Ellington Township, Tuscola County
 Ellis Township, Cheboygan County
 *Ellsworth Township, Lake County
 Elmer Township, Oscoda County
 Elmer Township, Sanilac County
 *Elmwood Township, Tuscola County
 Elm River Township, Houghton County
 Emerson Township, Gratiot County
 *Emmett Township, St. Clair County
 *Empire Township, Leelanau County
 Ensign Township, Delta County
 Ensley Township, Newaygo County
 Enterprise Township, Missaukee County
 Erwin Township, Gogebic County
 Eureka Township, Montcalm County
 Ewart Township, Osceola County
 Eveline Township, Charlevoix County
 Everett Township, Newaygo County
 *Evergreen Township, Montcalm County
 Evergreen Township, Sanilac County
 Ewing Township, Marquette County
 Fairbanks Township, Delta County
 Fairfield Township, Lenawee County
 Fairfield Township, Shiawassee County
 *Fairgrove Township, Tuscola County
 Fairhaven Township, Huron County
 *Fairplain Township, Montcalm County
 Faithorn Township, Menominee County
 Fawn River Township, St. Joseph County
 Felch Township, Dickinson County
 Ferris Township, Montcalm County
 Ferry Township, Oceana County
 *Fife Lake Township, Grand Traverse County
 Florence Township, St. Joseph County
 Flowerfield Township, St. Joseph County
 Flynn Township, Sanilac County
 Forester Township, Sanilac County
 Forest Township, Cheboygan County
 *Fork Township, Mecosta County
 Franklin Township, Clare County
 Franklin Township, Houghton County
 Freeman Township, Clare County
 *Free Soil Township, Mason County
 Fremont Township, Isabella County
 Fremont Township, Sanilac County
 *Fremont Township, Tuscola County
 Friendship Township, Emmet County
 Frost Township, Clare County
 *Galien Township, Berrien County
 Ganges Township, Allegan County
 *Garden Township, Delta County
 Garfield Township, Clare County
 Garfield Township, Kalkaska County
 Garfield Township, Mackinac County
 Garfield Township, Newaygo County
 Geneva Township, Midland County
 Geneva Township, Van Buren County
 Germfask Township, Schoolcraft County
 Gibson Township, Bay County
 Gilead Township, Branch County
 Gilford Township, Tuscola County
 *Gilmore Township, Benzie County
 Gilmore Township, Isabella County
 Gladwin Township, Gladwin County
 Golden Township, Oceana County
 Goodar Township, Ogemaw County
 Goodwell Township, Newaygo County
 Gore Township, Huron County
 Gourley Township, Menominee County
 Grant Township, Cheboygan County
 Grant Township, Grand Traverse County
 Grant Township, Huron County
 Grant Township, Iosco County
 Grant Township, Keweenaw County
 Grant Township, Mason County
 Grant Township, Mecosta County
 Grant Township, Newaygo County
 *Grant Township, Oceana County
 Grant Township, St. Clair County
 Greenbush Township, Alcona County
 Greendale Township, Midland County
 Greenland Township, Ontonagon County
 Greenleaf Township, Sanilac County
 Greenwood Township, Clare County
 Greenwood Township, Oceana County
 Greenwood Township, St. Clair County
 Greenwood Township, Wexford County
 Green Township, Alpena County
 Grim Township, Gladwin County
 Grout Township, Gladwin County
 *Gustin Township, Alcona County
 Hagar Township, Berrien County
 Haight Township, Ontonagon County
 Hamilton Township, Clare County
 Hamilton Township, Gratiot County
 Hamilton Township, Van Buren County
 Hancock Township, Houghton County
 *Handy Township, Livingston County
 *Hanover Township, Wexford County
 Harrisville Township, Alcona County
 Harris Township, Menominee County
 Hartford Township, Van Buren County
 Hartwick Township, Osceola County
 Hart Township, Oceana County
 Hastings Township, Barry County
 *Hawes Township, Alcona County
 Hayes Township, Clare County
 Haynes Township, Alcona County
 Hay Township, Gladwin County
 Heath Township, Allegan County
 Hebron Township, Cheboygan County
 Hematite Township, Iron County
 Henderson Township, Wexford County
 Hendricks Township, Mackinac County
 Henrietta Township, Jackson County
 *Hersey Township, Osceola County
 Highland Township, Osceola County
 *Hillman Township, Montmorency County
 Hill Township, Ogemaw County
 Hinton Township, Mecosta County
 Holland Township, Missaukee County
 Holmes Township, Menominee County
 Holton Township, Muskegon County
 *Homer Township, Calhoun County
 *Homestead Township, Benzie County
 *Home Township, Montcalm County
 Home Township, Newaygo County
 Hope Township, Barry County
 Hope Township, Midland County
 *Hopkins Township, Allegan County
 Horton Township, Ogemaw County
 Houghton Township, Keweenaw County
 Hudson Township, Charlevoix County
 *Hudson Township, Lenawee County
 Hudson Township, Mackinac County
 Hulbert Township, Chippewa County
 Humboldt Township, Marquette County
 Huron Township, Huron County
 *Indianfields Township, Tuscola County
 Inland Township, Benzie County
 Interior Township, Ontonagon County
 Inwood Township, Schoolcraft County
 *Ionia Township, Ionia County
 Ira Township, St. Clair County
 Ironwood Township, Gogebic County
 *Iron River Township, Iron County
 *Irving Township, Barry County
 Jasper Township, Midland County
 Jefferson Township, Cass County
 Jefferson Township, Hillsdale County
 *Jonesfield Township, Saginaw County
 Jordan Township, Antrim County
 Joyfield Township, Benzie County
 Juniata Township, Tuscola County
 Kalamo Township, Eaton County
 Kasson Township, Leelanau County
 *Kearney Township, Antrim County
 Keeler Township, Van Buren County
 Keene Township, Ionia County
 Kenockee Township, St. Clair County
 Kimball Township, St. Clair County
 *Kingston Township, Tuscola County
 Kinross Township, Chippewa County
 Klacking Township, Ogemaw County
 Koehler Township, Cheboygan County
 *Koylton Township, Tuscola County
 Krakow Township, Presque Isle County
 Lafayette Township, Saginaw County
 Laird Township, Houghton County
 Lakefield Township, Luce County
 Lakefield Township, Saginaw County
 Lake Township, Menominee County
 Lake Township, Roscommon County
 Lamotte Township, Sanilac County
 *Lanse Township, Baraga County
 *Lawrence Township, Van Buren County
 *La Grange Township, Cass County
 *Leavitt Township, Oceana County
 *Lebanon Township, Clinton County
 *Leelanau Township, Leelanau County
 Lee Township, Allegan County
 Lee Township, Calhoun County
 Lee Township, Midland County
 *Lenox Township, Macomb County
 Leonidas Township, St. Joseph County
 Leoni Township, Jackson County

- * Lexington Township, Sanilac County
- * Le Roy Township, Osceola County
- Liberty Township, Wexford County
- Lilley Township, Newaygo County
- Limestone Township, Alger County
- Lincoln Township, Arenac County
- Lincoln Township, Clare County
- * Lincoln Township, Huron County
- Lincoln Township, Isabella County
- Lincoln Township, Newaygo County
- Litchfield Township, Hillsdale County
- * Littlefield Township, Emmet County
- Logan Township, Mason County
- Logan Township, Ogemaw County
- London Township, Monroe County
- Long Rapids Township, Alpena County
- Loud Township, Montmorency County
- Lovells Township, Crawford County
- * Lyons Township, Ionia County
- Lyon Township, Roscommon County
- * Mackinaw Township, Cheboygan County
- Macon Township, Lenawee County
- Madison Township, Lenawee County
- * Mancelona Township, Antrim County
- * Manistee Township, Manistee County
- Manistique Township, Schoolcraft County
- Manlius Township, Allegan County
- Mansfield Township, Iron County
- Maple Forest Township, Crawford County
- * Maple Grove Township, Barry County
- * Maple Grove Township, Manistee County
- * Maple Ridge Township, Delta County
- * Maple River Township, Emmet County
- Maple Valley Township, Montcalm County
- Maple Valley Township, Sanilac County
- * Marathon Township, Lapeer County
- * Marcellus Township, Cass County
- Marengo Township, Calhoun County
- Marenisco Township, Gogebic County
- Marilla Township, Manistee County
- * Marion Township, Osceola County
- Marion Township, Saginaw County
- * Marion Township, Sanilac County
- Markey Township, Roscommon County
- * Marlette Township, Sanilac County
- Marquette Township, Mackinac County
- Martiny Township, Mecosta County
- * Martin Township, Allegan County
- Masonville Township, Delta County
- * Mason Township, Arenac County
- Mason Township, Cass County
- * Mastodon Township, Iron County
- Matchwood Township, Ontonagon County
- Mathias Township, Alger County
- Matteson Township, Branch County
- Mayfield Township, Grand Traverse County
- * McKinley Township, Emmet County
- * McMillan Township, Luce County
- McMillan Township, Ontonagon County
- * Meade Township, Huron County
- * Mecosta Township, Mecosta County
- Medina Township, Lenawee County
- Mellen Township, Menominee County
- Melrose Township, Charlevoix County
- * Mendon Township, St. Joseph County
- Mentor Township, Cheboygan County
- Mentor Township, Oscoda County
- Merrill Township, Newaygo County
- Merritt Township, Bay County
- Metz Township, Presque Isle County
- Meyer Township, Menominee County
- Michigamme Township, Marquette County
- Middle Branch Township, Osceola County
- Mikado Township, Alcona County
- Millbrook Township, Mecosta County
- Millen Township, Alcona County
- Mills Township, Midland County
- Mills Township, Ogemaw County
- * Minden Township, Sanilac County
- Mitchell Township, Alcona County
- Moffatt Township, Arenac County
- Moltke Township, Presque Isle County
- Monroe Township, Newaygo County
- Montcalm Township, Montcalm County
- Monterey Township, Allegan County
- Montmorency Township, Montmorency County
- Moore Township, Sanilac County
- Moorland Township, Muskegon County
- Moscow Township, Hillsdale County
- Mottville Township, St. Joseph County
- Mount Forest Township, Bay County
- Mount Morris Township, Genesee County
- Mueller Township, Schoolcraft County
- Mullet Township, Cheboygan County
- Munising Township, Alger County
- Munro Township, Cheboygan County
- * Mussey Township, St. Clair County
- * Nadeau Township, Menominee County
- Nahma Township, Delta County
- Nester Township, Roscommon County
- Newark Township, Gratiot County
- Newberg Township, Cass County
- * Newfield Township, Oceana County
- * Newkirk Township, Lake County
- Newton Township, Mackinac County
- New Haven Township, Gratiot County
- New Haven Township, Shiawassee County
- Niles Township, Berrien County
- Noble Township, Branch County
- Norman Township, Manistee County
- North Allis Township, Presque Isle County
- * North Plains Township, Ionia County
- North Shade Township, Gratiot County
- North Star Township, Gratiot County
- Norwich Township, Missaukee County
- Norwich Township, Newaygo County
- Norwood Township, Charlevoix County
- Nottawa Township, Isabella County
- * Nottawa Township, St. Joseph County
- Novesta Township, Tuscola County
- * Nunda Township, Cheboygan County
- Ocqueoc Township, Presque Isle County
- * Odessa Township, Ionia County
- Ogden Township, Lenawee County
- Ogemaw Township, Ogemaw County
- * Oliver Township, Huron County
- * Ontonagon Township, Ontonagon County
- Orangeville Township, Barry County
- Orange Township, Iona County
- Orange Township, Kalkaska County
- Orient Township, Osceola County
- Orleans Township, Ionia County
- * Oronoko Township, Berrien County
- Osceola Township, Houghton County
- Osceola Township, Osceola County
- Oscoda Township, Iosco County
- Ossineke Township, Alpena County
- Otisco Township, Ionia County
- Otto Township, Oceana County
- * Ovid Township, Clinton County
- * Paradise Township, Grand Traverse County
- Paris Township, Huron County
- Park Township, St. Joseph County
- * Parma Township, Jackson County
- * Paw Paw Township, Van Buren County
- * Penn Township, Cass County
- Pentland Township, Luce County
- Pickford Township, Chippewa County
- * Pierson Township, Montcalm County
- Pine Grove Township, Van Buren County
- Pine River Township, Gratiot County
- Pine Township, Montcalm County
- Pinora Township, Lake County
- Pioneer Township, Missaukee County
- * Pipestone Township, Berrien County
- Pittsford Township, Hillsdale County
- Plainfield Township, Iosco County
- Platte Township, Benzie County
- Pleasanton Township, Manistee County
- * Pleasant Plains Township, Leelanau County
- * Pleasant Plains Twp., Lake County
- Pokagon Township, Cass County
- Portage Township, Houghton County
- Portage Township, Mackinac County
- Porter Township, Cass County
- Porter Township, Midland County
- * Port Austin Township, Huron County
- Port Huron Township, St. Clair County
- * Posen Township, Presque Isle County
- Powell Township, Marquette County
- Prairieville Township, Barry County
- Pulaski Township, Jackson County
- Pulawski Township, Presque Isle County
- * Quincy Township, Branch County
- Quincy Township, Houghton County
- Ransom Township, Hillsdale County
- * Ravenna Township, Muskegon County
- Reading Township, Hillsdale County
- Readmond Township, Emmet County
- Redding Township, Clare County
- Reeder Township, Missaukee County
- Reno Township, Iosco County
- Republic Township, Marquette County
- * Reynolds Township, Montcalm County
- Richland Township, Missaukee County
- Richland Township, Montcalm County
- * Richland Township, Ogemaw County
- Richmond Township, Marquette County
- Richmond Township, Osceola County
- Rich Township, Lapeer County
- * Ridgeway Township, Lenawee County
- Riga Township, Lenawee County
- Riverside Township, Missaukee County
- Riverton Township, Mason County
- Rockland Township, Ontonagon County
- * Rock River Township, Alger County
- Rolland Township, Isabella County
- * Rollin Township, Lenawee County
- Rome Township, Lenawee County
- Ronald Township, Ionia County
- Roscommon Township, Roscommon County
- Rose Lake Township, Osceola County
- Rose Township, Ogemaw County
- Royal Oak Township, Oakland County
- * Rubicon Township, Huron County
- Rudyard Township, Chippewa County
- Rush Township, Shiawassee County
- Rust Township, Montmorency County
- Sage Township, Gladwin County
- Sagola Township, Dickinson County
- Sand Beach Township, Huron County
- * Sanilac Township, Sanilac County
- Sauble Township, Lake County
- * Schoolcraft Township, Houghton County
- Scipio Township, Hillsdale County
- * Sebewaing Township, Huron County
- Sebewa Township, Ionia County
- Selma Township, Wexford County
- Seneca Township, Lenawee County
- Seney Township, Schoolcraft County
- Seville Township, Gratiot County
- * Shelby Township, Oceana County
- Sheridan Township, Calhoun County
- Sheridan Township, Clare County
- Sheridan Township, Huron County
- Sheridan Township, Mason County

Sheridan Township, Mecosta County
 Sheridan Township, Newaygo County
 Sherman Township, Gladwin County
 Sherman Township, Huron County
 Sherman Township, Isabella County
 Sherman Township, Keweenaw County
 *Sherman Township, Mason County
 Sherman Township, Osceola County
 *Sherwood Township, Branch County
 *Sidney Township, Montcalm County
 Sigel Township, Huron County
 Silver Creek Township, Cass County
 Skandia Township, Marquette County
 *Slagle Township, Wexford County
 Sodus Township, Berrien County
 Solon Township, Leelanau County
 South Arm Township, Charlevoix County
 South Branch Township, Crawford County
 South Haven Township, Van Buren County
 *Spalding Township, Menominee County
 Spaulding Township, Saginaw County
 *Speaker Township, Sanilac County
 Springdale Township, Manistee County
 Springfield Township, Kalkaska County
 *Springport Township, Jackson County
 *Springville Township, Wexford County
 Spurr Township, Baraga County
 Stambaugh Township, Iron County
 Standish Township, Arenac County
 Stannard Township, Ontonagon County
 Stanton Township, Houghton County
 Star Township, Antrim County
 Stephenson Township, Menominee County
 Stronach Township, Manistee County
 *St. Charles Township, Saginaw County
 St. James Township, Charlevoix County
 Sugar Island Township, Chippewa County
 Summerfield Township, Monroe County
 Summit Township, Mason County
 Sumner Township, Gratiot County
 Superior Township, Chippewa County
 Sweetwater Township, Lake County
 Sylvan Township, Osceola County
 Tawas Township, Iosco County
 *Tekonsha Township, Calhoun County
 Thompson Township, Schoolcraft County
 *Three Oaks Township, Berrien County
 Tompkins Township, Jackson County
 Torch Lake Township, Houghton County
 Trout Lake Township, Chippewa County
 Trowbridge Township, Allegan County
 Troy Township, Newaygo County
 Turin Township, Marquette County
 *Turner Township, Arenac County
 Tuscarora Township, Cheboygan County
 *Tyrone Township, Kent County
 Unadilla Township, Livingston County
 *Union Township, Branch County
 Valley Township, Allegan County
 *Vermontville Township, Eaton County
 Verona Township, Huron County
 Victory Township, Mason County
 Vienna Township, Montmorency County
 Volinia Township, Cass County
 Wakefield Township, Gogebic County
 Wales Township, St. Clair County
 Walker Township, Cheboygan County
 Walton Township, Eaton County
 Warner Township, Antrim County
 Washington Township, Gratiot County
 *Washington Township, Sanilac County
 Waterloo Township, Jackson County
 Watersmeet Township, Gogebic County
 Watertown Township, Sanilac County
 Watertown Township, Tuscola County
 Watervliet Township, Berrien County

Watson Township, Allegan County
 Waucedah Township, Dickinson County
 Waverly Township, Cheboygan County
 Wayne Township, Cass County
 Weare Township, Oceana County
 *Webber Township, Lake County
 Weesaw Township, Berrien County
 *Weldon Township, Benzie County
 Wellington Township, Alpena County
 Wells Township, Delta County
 Wells Township, Marquette County
 Wells Township, Tuscola County
 West Branch Township, Dickinson County
 West Branch Township, Ogemaw County
 Wexford Township, Wexford County
 Wheatland Township, Hillsdale County
 Wheatland Township, Mecosta County
 Wheatland Township, Sanilac County
 *Wheeler Township, Gratiot County
 Whitefish Township, Chippewa County
 *White Pigeon Township, St. Joseph County
 Whitney Township, Arenac County
 Wilcox Township, Newaygo County
 *Wilnot Township, Cheboygan County
 Wilson Township, Alpena County
 Wilson Township, Charlevoix County
 Winfield Township, Montcalm County
 *Winsor Township, Huron County
 Winterfield Township, Clare County
 Wise Township, Isabella County
 Wisner Township, Tuscola County
 Woodbridge Township, Hillsdale County
 *Woodstock Township, Lenawee County
 Worth Township, Senilac County
 Wright Township, Ottawa County
 Yates Township, Lake County

New Hampshire

Albany Town, Carroll County
 Alexandria Town, Grafton County
 Alstead Town, Cheshire County
 Ashland Town, Grafton County
 Bartlett Town, Carroll County
 Bath Town, Grafton County
 Benton Town, Grafton County
 Bradford Town, Merrimack County
 Campton Town, Grafton County
 Canaan Town, Grafton County
 Center Conway Town, Carroll County
 Center Harbor Town, Belknap County
 Chatham Town, Carroll County
 Columbia Town, Coos County
 Dalton Town, Coos County
 Deering Town, Hillsborough County
 Dorchester Town, Grafton County
 Dublin Town, Cheshire County
 Dummer Town, Coos County
 Durham Town, Strafford County
 Eaton Town, Carroll County
 Effingham Town, Carroll County
 Farmington Town, Strafford County
 Franconia Town, Grafton County
 Grafton Town, Grafton County
 Greenfield Town, Hillsborough County
 Groton Town, Grafton County
 Henniker Town, Merrimack County
 Hill Town, Merrimack County
 Lancaster Town, Coos County
 Landaff Town, Grafton County
 Lempster Town, Sullivan County
 Lincoln Town, Grafton County
 Lisbon Town, Grafton County
 Littleton Town, Grafton County
 Lyman Town, Grafton County
 Middleton Town, Strafford County
 Nelson Town, Cheshire County

Newbury Town, Merrimack County
 New Hampton Town, Belknap County
 Northumberland Town, Coos County
 Piermont Town, Grafton County
 Pittsburg Town, Coos County
 Plymouth Town, Grafton County
 Springfield Town, Sullivan County
 Stark Town, Coos County
 Stewartstown Town, Coos County
 Stratford Town, Coos County
 Troy Town, Cheshire County
 Unity Town, Sullivan County
 Wakefield Town, Carroll County
 Warner Town, Merrimack County
 Warren Town, Grafton County
 Wentworth Town, Grafton County
 Whitefield Town, Coos County
 Winchester Town, Cheshire County
 Woodstock Town, Grafton County

New Jersey

Belleville Township, Essex County
 Berlin Township, Camden County
 Commercial Township, Cumberland County
 Deerfield Township, Cumberland County
 Dennis Township, Cape May County
 Downe Township, Cumberland County
 Fairfield Township, Cumberland County
 Greenwich Township, Cumberland County
 Hillside Township, Union County
 Lawrence Township, Cumberland County
 Lower Alloways Creek Township, Salem County
 Mannington Township, Salem County
 Maurice River Township, Cumberland County
 Middle Township, Cape May County
 Montclair Township, Essex County
 Mount Holly Township, Burlington County
 Mullica Township, Atlantic County
 Neptune Township, Monmouth County
 New Hanover Township, Burlington County
 North Bergen Township, Hudson County
 Oldmans Township, Salem County
 Oxford Township, Warren County
 Pennsauken Township, Camden County
 Pittsgrove Township, Salem County
 Pohatcong Township, Warren County
 Riverside Township, Burlington County
 Shrewsbury Township, Monmouth County
 Stow Creek Township, Cumberland County
 Upper Deerfield Township, Cumberland County
 Washington Township, Burlington County
 Weehawken Township, Hudson County
 Woolwich Township, Gloucester County

New York

*Adams Town, Jefferson County
 *Addison Town, Steuben County
 Alabama Town, Genesee County
 *Albion Town, Orleans County
 *Albion Town, Oswego County
 *Alexander Town, Genesee County
 *Alexandria Town, Jefferson County
 *Alfred Town, Allegany County
 *Allegany Town, Cattaraugus County
 Allen Town, Allegany County
 Alma Town, Allegany County
 *Altamont Town, Franklin County
 Altona Town, Clinton County
 *Amsterdam Town, Montgomery County
 Ancram Town, Columbia County
 *Andes Town, Delaware County
 *Andover Town, Allegany County
 *Angelica Town, Allegany County

- Annsville Town, Oneida County
 *Antwerp Town, Jefferson County
 *Arcadia Town, Wayne County
 *Argyle Town, Washington County
 Arietta Town, Hamilton County
 Ashford Town, Cattaraugus County
 *Ashland Town, Chemung County
 Ashland Town, Greene County
 *Athens Town, Greene County
 *Attica Town, Wyoming County
 *Augusta Town, Oneida County
 *Au Sable, Clinton County
 Ava Town, Oneida County
 *Avon Town, Livingston County
 *Bainbridge Town, Chenango County
 Baldwin Town, Chemung County
 Bangor Town, Franklin County
 Barre Town, Orleans County
 Barrington Town, Yates County
 *Barton Town, Tioga County
 Batavia Town, Genesee County
 *Bath Town, Steuben County
 Beekmantown Town, Clinton County
 Belfast Town, Allegany County
 Belmont Town, Franklin County
 Benson Town, Hamilton County
 *Benton Town, Yates County
 *Bergen Town, Genesee County
 Berlin Town, Rensselaer County
 Bethany Town, Genesee County
 Bethel Town, Sullivan County
 Birdsall Town, Allegany County
 Black Brook Town, Clinton County
 Bleecker Town, Fulton County
 Blenheim Town, Schoharie County
 *Bolivar Town, Allegany County
 Bolton Town, Warren County
 Bombay Town, Franklin County
 *Boonville Town, Oneida County
 Bovina Town, Delaware County
 Boylston Town, Oswego County
 Bradford Town, Steuben County
 Brandon Town, Franklin County
 *Brant Town, Erie County
 Brasher Town, St. Lawrence County
 *Bridgewater Town, Oneida County
 Brighton Town, Franklin County
 *Broadalbin Town, Fulton County
 Brookfield Town, Madison County
 *Brownville Town, Jefferson County
 *Brutus Town, Cayuga County
 *Burke Town, Franklin County
 Burlington Town, Otsego County
 *Burns Town, Allegany County
 Cairo Town, Greene County
 *Cambridge Town, Washington County
 *Camden Town, Oneida County
 Cameron Town, Steuben County
 *Canajoharie Town, Montgomery County
 *Candor Town, Tioga County
 Caneadea Town, Allegany County
 *Canistota Town, Steuben County
 *Canton Town, St. Lawrence County
 *Cape Vincent Town, Jefferson County
 Carlton Town, Orleans County
 Caroga Town, Fulton County
 Caroline Town, Tompkins County
 *Carrollton Town, Cattaraugus County
 *Castile Town, Wyoming County
 *Catharine Town, Schuyler County
 Catlin Town, Chemung County
 *Cato Town, Cayuga County
 *Catskill Town, Greene County
 Cayuta Town, Schuyler County
 Centerville Town, Allegany County
 *Champion Town, Jefferson County
 *Champlain Town, Clinton County
 *Chateaugay Town, Franklin County
 *Chautauqua Town, Chautauqua County
 Chazy Town, Clinton County
 Chemung Town, Chemung County
 *Cherry Creek Town, Chautauqua County
 *Cherry Valley Town, Otsego County
 *Chesterfield Town, Essex County
 Chester Town, Warren County
 Cincinnatus Town, Cortland County
 Clare Town, St. Lawrence County
 *Clayton Town, Jefferson County
 Clifton Town, St. Lawrence County
 Clinton Town, Clinton County
 Clymer Town, Chautauqua County
 *Cobleskill Town, Schoharie County
 Colchester Town, Delaware County
 Cold Spring Township, Cattaraugus County
 *Collins Town, Erie County
 Colton Town, St. Lawrence County
 Columbia Town, Herkimer County
 Columbus Town, Chenango County
 *Concord Town, Erie County
 Conesville Town, Schoharie County
 *Conevango Town, Cattaraugus County
 Conquest Town, Cayuga County
 Constable Town, Franklin County
 Copake Town, Columbia County
 *Corinty Town, Saratoga County
 *Coxsackie Town, Greene County
 *Croghan Town, Lewis County
 Crown Point Town, Essex County
 Cuyler Town, Cortland County
 *Dannemora Town, Clinton County
 Dansville Town, Steuben County
 Danube Town, Herkimer County
 Darien Town, Genesee County
 *Dayton Town, Cattaraugus County
 Day Town, Saratoga County
 Decatur Town, Otsego County
 Deerpark Town, Orange County
 Delaware Town, Sullivan County
 *Delhi Town, Delaware County
 *Denmark Town, Lewis County
 Denning Town, Ulster County
 *De Kalb Town, St. Lawrence County
 De Peyster Town, St. Lawrence County
 *De Ruyter Town, Madison County
 *Diana Town, Lewis County
 Dickinson Town, Franklin County
 *Dix Town, Schuyler County
 Dresden Town, Washington County
 Dunkirk Town, Chautauqua County
 Durham Town, Greene County
 Eagle Town, Wyoming County
 *Easton Town, Washington County
 East Otto Town, Cattaraugus County
 *Eaton Town, Madison County
 Eden Town, Erie County
 Edinburg Town, Saratoga County
 Edmeston Town, Otsego County
 *Edwards Town, St. Lawrence County
 *Elba Town, Genesee County
 Elizabethtown Town, Essex County
 Ellenburg Town, Clinton County
 *Ellicottville Town, Cattaraugus County
 Ellington Town, Chautauqua County
 *Ellisburg Town, Jefferson County
 Enfield Town, Tompkins County
 Ephratah Town, Fulton County
 Erin Town, Chemung County
 Esopus Town, Ulster County
 Essex Town, Essex County
 *Evans Town, Erie County
 Exeter Town, Otsego County
 *Fairfield Town, Herkimer County
 *Fallsburg Town, Sullivan County
 Farmersville Town, Cattaraugus County
 Fenner Town, Madison County
 Fine Town, St. Lawrence County
 Florence Town, Oneida County
 Fort Covington Town, Franklin County
 *Fort Edward Town, Washington County
 Fowler Town, St. Lawrence County
 *Frankfort Town, Herkimer County
 Franklinville Town, Cattaraugus County
 *Franklin Town, Delaware County
 Franklin Town, Franklin County
 Freedom Town, Cattaraugus County
 Freetown Town, Cortland County
 Fremont Town, Steuben County
 Fremont Town, Sullivan County
 French Creek Town, Chautauqua County
 Friendship Town, Allegany County
 Fulton Town, Schoharie County
 *Gainesville Town, Wyoming County
 *Galen Town, Wayne County
 Genesee Falls Town, Wyoming County
 Genesee Town, Allegany County
 *Genesee Town, Livingston County
 Genda Town, Cayuga County
 Georgetown Town, Madison County
 *German Flatts Town, Herkimer County
 German Town, Chenango County
 Gilboa Town, Schoharie County
 *Gouverneur Town, St. Lawrence County
 Granger Town, Allegany County
 *Granville Town, Washington County
 Great Valley Town, Cattaraugus County
 Greenfield Town, Saratoga County
 Greenville Town, Greene County
 *Greenwich Town, Washington County
 Greenwood Town, Steuben County
 *Green Island Town, Albany County
 Greig Town, Lewis County
 Groveland Town, Livingston County
 Grove Town, Allegany County
 Guilford Town, Chenango County
 Hadley Town, Saratoga County
 Hague Town, Warren County
 Halcott Town, Greene County
 Hamden Town, Delaware County
 *Hamilton Town, Madison County
 *Hammond Town, St. Lawrence County
 *Hancock Town, Delaware County
 *Hannibal Town, Oswego County
 *Hanover Town, Chautauqua County
 Hardenbergh Town, Ulster County
 Harford Town, Cortland County
 *Harmony Town, Chautauqua County
 *Harpersfield Town, Delaware County
 *Harrietstown Town, Franklin County
 Harrisburg Town, Lewis County
 Hartford Town, Washington County
 *Hartland Town, Niagara County
 Hartsville Town, Steuben County
 Hartwick Town, Otsego County
 Hebron Town, Washington County
 *Hector Town, Schuyler County
 Henderson Town, Jefferson County
 *Herkimer Town, Herkimer County
 *Hermon Town, St. Lawrence County
 Highland Town, Sullivan County
 Hillsdale Town, Columbia County
 Hinsdale Town, Cattaraugus County
 Holland Town, Erie County
 *Hoosick Town, Rensselaer County
 Hope Town, Hamilton County
 Hopkinton Town, St. Lawrence County
 Horicon Town, Warren County
 Hornby Town, Steuben County

- *Horseheads Town, Chemung County
- *Hounsfield Town, Jefferson County
- *Howard Town, Steuben County
- *Hume Town, Allegany County
- *Humphrey Town, Cattaraugus County
- *Hunter Town, Greene County
- *Independence Town, Allegany County
- *Indian Lake Town, Hamilton County
- *Inlet Town, Hamilton County
- *Ira Town, Cayuga County
- *Ischua Town, Cattaraugus County
- *Italy Town, Yates County
- *Jasper Town, Steuben County
- *Jay Town, Essex County
- *Jefferson Town, Schoharie County
- *Jerusalem Town, Yates County
- *Jewett Town, Greene County
- *Johnsburg Town, Warren County
- *Junius Town, Seneca County
- *Kingsbury Town, Washington County
- *Kortright Town, Delaware County
- *Lake George Town, Warren County
- *Lake Luzerne Town, Warren County
- *Lake Pleasant Town, Hamilton County
- *Lancaster Town, Erie County
- *Lawrence Town, St. Lawrence County
- *Lebanon Town, Madison County
- *Ledyard Town, Cayuga County
- *Lenox Town, Madison County
- *Leon Town, Cattaraugus County
- *Lewis Town, Essex County
- *Lewis Town, Lewis County
- *Lexington Town, Greene County
- *Leyden Town, Lewis County
- *Le Ray Town, Jefferson County
- *Le Roy Town, Genesee County
- *Liberty Town, Sullivan County
- *Lincklaen Town, Chenango County
- *Lisbon Town, St. Lawrence County
- *Lisle Town, Broome County
- *Little Falls Town, Herkimer County
- *Little Valley Town, Cattaraugus County
- *Locke Town, Cayuga County
- *Lodi Town, Seneca County
- *Long Lake Town, Hamilton County
- *Lorraine Town, Jefferson County
- *Lowville Town, Lewis County
- *Lyme Town, Jefferson County
- *Lydon Town, Cattaraugus County
- *Lyonsdale Town, Lewis County
- *Lyons Town, Wayne County
- *Machias Town, Cattaraugus County
- *Macomb Town, St. Lawrence County
- *Madison Town, Madison County
- *Madrid Town, St. Lawrence County
- *Malone Town, Franklin County
- *Mamakating Town, Sullivan County
- *Manheim Town, Herkimer County
- *Mansfield Town, Cattaraugus County
- *Marathon Town, Cortland County
- *Martinsburg Town, Lewis County
- *Maryland Town, Otsego County
- *Masonville Town, Delaware County
- *Massena Town, St. Lawrence County
- *Mayfield Town, Fulton County
- *McDonough Town, Chenango County
- *Mentz Town, Cayuga County
- *Meredith Town, Delaware County
- *Mexico Town, Oswego County
- *Middletown Town, Delaware County
- *Milan Town, Dutchess County
- *Milo Town, Yates County
- *Minden Town, Montgomery County
- *Minerva Town, Essex County
- *Mohawk Town, Montgomery County
- *Moir Town, Franklin County
- Montague Town, Lewis County
- Montezuma Town, Cayuga County
- *Montour Town, Schuyler County
- *Mooers Town, Clinton County
- *Moravia Town, Cayuga County
- *Morehead Town, Hamilton County
- *Moriah Town, Essex County
- *Morristown Town, St. Lawrence County
- *Mount Morris Town, Livingston County
- *Murray Town, Orleans County
- *Napoli Town, Cattaraugus County
- *Newcomb Town, Essex County
- *Newfane Town, Niagara County
- *Newstead Town, Erie County
- *New Albion Town, Cattaraugus County
- *New Berlin Town, Chenango County
- *New Brehm Town, Lewis County
- *New Lisbon Town, Otsego County
- *New Paltz Town, Ulster County
- *Niles Town, Cayuga County
- *Norfolk Town, St. Lawrence County
- *Northampton Town, Fulton County
- *North Collins Town, Erie County
- *North Dansville Town, Livingston County
- *North Elba Town, Essex County
- *North Harmony Town, Chautauque County
- *North Hudson Town, Essex County
- *Norway Town, Herkimer County
- *Oakfield Town, Genesee County
- *Ohio Town, Herkimer County
- *Olean Town, Cattaraugus County
- *Oppenheim Town, Fulton County
- *Orange Town, Schuyler County
- *Orleans Town, Jefferson County
- *Orwell Town, Oswego County
- *Osceola Town, Lewis County
- *Oswegatchie Town, St. Lawrence County
- *Otselic Town, Chenango County
- *Otto Town, Cattaraugus County
- *Ovid Town, Seneca County
- *Owasco Town, Cayuga County
- *Pamelia Town, Jefferson County
- *Parishville Town, St. Lawrence County
- *Paris Town, Oneida County
- *Pavilion Town, Genesee County
- *Pembroke Town, Genesee County
- *Perryburg Town, Cattaraugus County
- *Perry Town, Wyoming County
- *Persia Town, Cattaraugus County
- *Peru Town, Clinton County
- *Pharsalia Town, Chenango County
- *Philadelphia Town, Jefferson County
- *Piercesfield Town, St. Lawrence County
- *Pierrepont Town, St. Lawrence County
- *Pike Town, Wyoming County
- *Pinckney Town, Lewis County
- *Pitcairn Town, St. Lawrence County
- *Pitcher Town, Chenango County
- *Pittsfield Town, Otsego County
- *Plainfield Town, Otsego County
- *Plymouth Town, Chenango County
- *Portville Town, Cattaraugus County
- *Potsdam Town, St. Lawrence County
- *Potter Town, Yates County
- *Prattsburg Town, Steuben County
- *Prattsburg Town, Greene County
- *Preston Town, Chenango County
- *Providence Town, Saratoga County
- *Pulteney Town, Steuben County
- *Putnam Town, Washington County
- *Randolph Town, Cattaraugus County
- *Rathbone Town, Steuben County
- *Reading Town, Schuyler County
- *Redfield Town, Oswego County
- *Red House Town, Cattaraugus County
- *Rensselaerville Town, Albany County
- *Richfield Town, Otsego County
- *Richford Town, Tioga County
- *Richland Town, Oswego County
- *Richmondville Town, Schoharie County
- *Ridgeway Town, Orleans County
- *Rochester Town, Ulster County
- *Rockland Town, Sullivan County
- *Rodman Town, Jefferson County
- *Roseboom Town, Otsego County
- *Rose Town, Wayne County
- *Rossie Town, St. Lawrence County
- *Roxbury Town, Delaware County
- *Royalton Town, Niagara County
- *Rushford Town, Allegany County
- *Russell Town, St. Lawrence County
- *Russia Town, Herkimer County
- *Rutland Town, Jefferson County
- *Salamanca Town, Cattaraugus County
- *Salem Town, Washington County
- *Salisbury Town, Herkimer County
- *Sandy Creek Town, Oswego County
- *Sangerfield Town, Oneida County
- *Saranac Town, Clinton County
- *Sardinia Town, Erie County
- *Savannah Town, Wayne County
- *Schodack Town, Rensselaer County
- *Schoharie Town, Schoharie County
- *Schroon Town, Essex County
- *Schuyler Falls Town, Clinton County
- *Scipio Town, Cayuga County
- *Sempronius Town, Cayuga County
- *Seneca Falls Town, Seneca County
- *Seneca Town, Ontario County
- *Sennett Town, Cayuga County
- *Seward Town, Schoharie County
- *Shandaken Town, Ulster County
- *Sharon Town, Schoharie County
- *Shawangunk Town, Ulster County
- *Shelby Town, Orleans County
- *Sherburne Town, Chenango County
- *Sherman Town, Chautauque County
- *Sidney Town, Delaware County
- *Smithfield Town, Madison County
- *Smyrna Town, Chenango County
- *Sodus Town, Wayne County
- *Solon Town, Cortland County
- *Somerset Town, Niagara County
- *Southport Town, Chemung County
- *South Valley Town, Cattaraugus County
- *Springfield Town, Otsego County
- *Springport Town, Cayuga County
- *Stamford Town, Delaware County
- *Stark Town, Herkimer County
- *Stephentown Town, Rensselaer County
- *Sterling Town, Cayuga County
- *Steuben Town, Oneida County
- *Stockbridge Town, Madison County
- *Stockholm Town, St. Lawrence County
- *Stockton Town, Chautauque County
- *Stony Creek Town, Warren County
- *Stratford Town, Fulton County
- *St. Armand Town, Essex County
- *St. Johnsville Town, Montgomery County
- *Summerhill Town, Cayuga County
- *Summit Town, Schoharie County
- *Sweden Town, Monroe County
- *Taghkanic Town, Columbia County
- *Taylor Town, Cortland County
- *Theresa Town, Jefferson County
- *Thompson Town, Sullivan County
- *Thurman Town, Warren County
- *Ticonderoga Town, Essex County
- *Trenton Town, Oneida County
- *Tropisburg Town, Steuben County
- *Truxton Town, Cortland County

* Turin Town, Lewis County
 Tuscarora Town, Steuben County
 Tyrone Town, Schuyler County
 * Van Eiten Town, Chemung County
 Venice Town, Cayuga County
 Victory Town, Cayuga County
 * Vienna Town, Oneida County
 Virgil Town, Cortland County
 * Waddington Town, St. Lawrence County
 * Walton Town, Delaware County
 Warrensburg Town, Warren County
 Warren Town, Herkimer County
 * Waterloo Town, Seneca County
 Watertown Town, Jefferson County
 Watson Town, Lewis County
 Waverly Town, Franklin County
 * Wawarsing Town, Ulster County
 Wayne Town, Steuben County
 * Wellsville Town, Allegany County
 Wells Town, Hamilton County
 Western Town, Oneida County
 * Westfield Town, Chautauque County
 Westford Town, Otsego County
 * Westport Town, Essex County
 Westville Town, Franklin County
 West Almond Town, Allegany County
 West Sparta Town, Livingston County
 * West Turin Town, Lewis County
 West Union Town, Steuben County
 Wetherfield Town, Wyoming County
 Wheeler Town, Steuben County
 * Whitehall Town, Washington County
 Willet Town, Cortland County
 Williamstown Town, Oswego County
 Willing Town, Allegany County
 Willsboro Town, Essex County
 Wilmington Town, Essex County
 * Wilna Town, Jefferson County
 * Wilson Town, Niagara County
 Windham Town, Greene County
 * Wirt Town, Allegany County
 * Wolcott Town, Wayne County
 * Woodhull Town, Steuben County
 Worcester Town, Otsego County
 Worth Town, Jefferson County
 * Yates Town, Orleans County
 * Yorkshire Town, Cattaraugus County
 York Town, Livingston County

Pennsylvania

Abbott Township, Potter County
 Adams Township, Cambria County
 Addison Township, Somerset County
 Albany Township, Bradford County
 Aleppo Township, Greene County
 Allegany Township, Potter County
 Allegheny Township, Butler County
 Allegheny Township, Cambria County
 Allegheny Township, Somerset County
 Allegheny Township, Venango County
 Allison Township, Clinton County
 Amity Township, Erie County
 Annin Township, McKean County
 Annville Township, Lebanon County
 Anthony Township, Lycoming County
 Apolaccon Township, Susquehanna County
 Ararat Township, Susquehanna County
 Armagh Township, Mifflin County
 Armenia Township, Bradford County
 Armstrong Township, Lycoming County
 Asylum Township, Bradford County
 Athens Township, Bradford County
 Athers Township, Crawford County
 Auburn Township, Susquehanna County
 Ayr Township, Fulton County
 Banks Township, Carbon County

Banks Township, Indiana County
 Barnett Township, Forest County
 Barnett Township, Jefferson County
 Barree Township, Huntingdon County
 Barry Township, Schuylkill County
 Barr Township, Cambria County
 Bart Township, Lancaster County
 Bastress Township, Lycoming County
 Beale Township, Juniata County
 Beaver Township, Clarion County
 Beaver Township, Columbia County
 Beaver Township, Crawford County
 Beaver Township, Jefferson County
 Beccaria Township, Clearfield County
 Bedford Township, Bedford County
 Beech Creek Township, Clinton County
 Belfast Township, Fulton County
 Bell Township, Clearfield County
 Bell Township, Jefferson County
 Bell Township, Westmoreland County
 Benezette Township, Elk County
 Benton Township, Columbia County
 Benton Township, Lackawanna County
 Berlin Township, Wayne County
 Bethel Township, Armstrong County
 Bethel Township, Fulton County
 Bethel Township, Lebanon County
 Bigler Township, Clearfield County
 Bingham Township, Potter County
 Blacklick Township, Cambria County
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 Black Lick Township, Indiana County
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 Blaine Township, Washington County
 Blair Township, Blair County
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 Bloomfield Township, Crawford County
 Bloom Township, Clearfield County
 Bloss Township, Tioga County
 Blythe Township, Schuylkill County
 Boggs Township, Armstrong County
 Boggs Township, Centre County
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 Bradford Township, Clearfield County
 Bradford Township, McKean County
 Bradys Bend Township, Armstrong County
 Brady Township, Butler County
 Brady Township, Clearfield County
 Brady Township, Huntingdon County
 Branch Township, Schuylkill County
 Bratton Township, Mifflin County
 Brecknock Township, Lancaster County
 Broad Top Township, Bedford County
 Brokenstraw Township, Warren County
 Brookfield Township, Tioga County
 Brooklyn Township, Susquehanna County
 Brothersvalley Township, Somerset County
 Brown Township, Lycoming County
 Brown Township, Mifflin County
 Brush Creek Township, Fulton County
 Brush Valley Township, Indiana County
 Buckingham Township, Wayne County
 Buck Township, Luzerne County
 Buffalo Township, Union County
 Buffington Township, Indiana County
 Bullskin Township, Fayette County
 Burlington Township, Bradford County
 Burnside Township, Centre County
 Burnside Township, Clearfield County
 Burrell Township, Armstrong County
 Burrell Township, Indiana County
 Butler Township, Luzerne County
 Butler Township, Schuylkill County
 Cambria Township, Cambria County
 Cambridge Township, Crawford County
 Canaan Township, Wayne County

Canoe Township, Indiana County
 Canton Township, Bradford County
 Canton Township, Washington County
 Carbondale Township, Lackawanna County
 Carbon Township, Huntingdon County
 Casade Township, Lycoming County
 Cass Township, Huntingdon County
 Cass Township, Schuylkill County
 Castanea Township, Clinton County
 Catawissa Township, Columbia County
 Catharine Township, Blair County
 Center Township, Greene County
 Center Township, Indiana County
 Center Township, Snyder County
 Ceres Township, McKean County
 Chanceford Township, York County
 Chapman Township, Clinton County
 Chapman Township, Snyder County
 Charleston Township, Tioga County
 Chatham Township, Tioga County
 Cherryhill Township, Indiana County
 Cherry Grove Township, Warren County
 Cherry Township, Sullivan County
 Chest Township, Cambria County
 Chest Township, Clearfield County
 Clara Township, Potter County
 Clay Township, Butler County
 Clay Township, Huntingdon County
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 Clearfield Township, Cambria County
 Cleveland Township, Columbia County
 Clinton Township, Lycoming County
 Clinton Township, Wyoming County
 Clover Township, Jefferson County
 Clymer Township, Tioga County
 Coal Township, Northumberland County
 Cogan House Township, Lycoming County
 Colebrook Township, Clinton County
 Colerain Township, Lancaster County
 Colley Township, Sullivan County
 Columbia Township, Bradford County
 Concord Township, Butler County
 Concord Township, Erie County
 Conemaugh Township, Cambria County
 Conemaugh Township, Indiana County
 Conemaugh Township, Somerset County
 Conewago Township, York County
 Conewango Township, Warren County
 Conneaut Township, Crawford County
 Conneaut Township, Erie County
 Conyngham Township, Columbia County
 Conyngham Township, Luzerne County
 Coolbaugh Township, Monroe County
 Coolspring Township, Mercer County
 Cooper Township, Clearfield County
 Corydon Township, McKean County
 Covington Township, Clearfield County
 Covington Township, Lackawanna County
 Covington Township, Tioga County
 Cowanshannock Township, Armstrong County
 Cresson Township, Cambria County
 Cromwell Township, Huntingdon County
 Croyle Township, Cambria County
 Cumberland Township, Greene County
 Cumberland Valley Township, Bedford County
 Cummings Township, Lycoming County
 Curtin Township, Centre County
 Cussewago Township, Crawford County
 Damascus Township, Wayne County
 Darlington Township, Beaver County
 Davidson Township, Sullivan County
 Dean Township, Cambria County
 Decatur Township, Mifflin County

Deerfield Township, Tioga County
 Deerfield Township, Warren County
 Deer Creek Township, Mercer County
 Delaware Township, Juniata County
 Delaware Township, Northumberland County
 Delmar Township, Tioga County
 Derry Township, Mifflin County
 Derry Township, Montour County
 Derry Township, Westmoreland County
 Dimock Township, Susquehanna County
 Donegal Township, Butler County
 Donegal Township, Washington County
 Donegal Township, Westmoreland County
 Dorrance Township, Luzerne County
 Dreher Township, Wayne County
 Dublin Township, Fulton County
 Dublin Township, Huntingdon County
 Dunbar Township, Fayette County
 Duncan Township, Tioga County
 Dunkard Township, Greene County
 Dunnstable Township, Clinton County
 Dyberry Township, Wayne County
 Earl Township, Lancaster County
 East Bethlehem Township, Washington County
 East Cameron Township, Northumberland County
 East Carroll Township, Cambria County
 East Chillisquaque Twp., Northumberland County
 East Deer Township, Allegheny County
 East Fairfield Township, Crawford County
 East Fallowfield Twp., Crawford County
 East Finley Township, Washington County
 East Franklin Township, Armstrong County
 East Huntingdon Township, Westmoreland County
 East Mahoning Township, Indiana County
 East Manchester Township, York County
 East Mead Township, Crawford County
 East Norwegian Township, Schuylkill County
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 Fairfield Township, Westmoreland County
 Fairhope Township, Somerset County
 Fairmont Township, Luzerne County
 Fairview Township, Butler County
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 Falls Township, Wyoming County
 Fannett Township, Franklin County
 Farmington Township, Clarion County
 Farmington Township, Tioga County
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 Fawn Township, York County
 Fayette Township, Juniata County
 Fell Township, Lackawanna County
 Findley Township, Mercer County
 Fishing Creek Twp., Columbia County
 Forks Township, Sullivan County
 Foster Township, Luzerne County
 Foster Township, Schuylkill County
 Fox Township, Sullivan County
 Frailey Township, Schuylkill County
 Franklin Township, Bradford County
 Franklin Township, Carbon County
 Franklin Township, Columbia County
 Franklin Township, Fayette County
 Franklin Township, Greene County
 Franklin Township, Huntingdon County
 Franklin Township, Luzerne County
 Franklin Township, Lycoming County
 Franklin Township, Susquehanna County
 Freedom Township, Adams County
 Freedom Township, Blair County
 Freehold Township, Warren County
 Freeport Township, Greene County
 French Creek Township, Mercer County
 Gaines Township, Tioga County
 Gallagher Township, Clinton County
 Gallitzin Township, Cambria County
 Genesee Township, Potter County
 Georges Township, Fayette County
 German Township, Fayette County
 Gibson Township, Cameron County
 Gibson Township, Susquehanna County
 Gilmore Township, Greene County
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 Girard Township, Clearfield County
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 Goshen Township, Clearfield County
 Graham Township, Clearfield County
 Grant Township, Indiana County
 Granville Township, Bradford County
 Granville Township, Mifflin County
 Gray Township, Greene County
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 Hegins Township, Schuylkill County
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 Henderson Township, Jefferson County
 Henry Clay Township, Fayette County
 Herrick Township, Bradford County
 Hickory Township, Forrest County
 Highland Township, Chester County
 Highland Township, Clarion County
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 Hills Grove Township, Sullivan County
 Hollenback Township, Luzerne County
 Homer Township, Potter County
 Hopewell Township, Bedford County
 Hopewell Township, Cumberland County
 Hopewell Township, Huntingdon County
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 Hovey Township, Armstrong County
 Howard Township, Centre County
 Howe Township, Forest County
 Hubley Township, Schuylkill County
 Hunlock Township, Luzerne County
 Huntington Township, Luzerne County
 Huston Township, Blair County
 Huston Township, Centre County
 Irwin Township, Venango County
 Jackson Township, Butler County
 Jackson Township, Cambria County
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 Jackson Township, Lycoming County
 Jackson Township, Northumberland County
 Jackson Township, Perry County
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 Jackson Township, Susquehanna County
 Jackson Township, Tioga County
 Jackson Township, Venango County
 Jay Township, Elk County
 Jefferson Township, Greene County
 Jefferson Township, Lackawanna County
 Jenkins Township, Luzerne County
 Jenks Township, Forest County
 Jordan Township, Clearfield County
 Jordan Township, Lycoming County
 Jordan Township, Northumberland County
 Juniata Township, Bedford County
 Juniata Township, Blair County
 Juniata Township, Huntingdon County
 Karthaus Township, Clearfield County
 Keating Township, McKean County
 Keating Township, Potter County
 Kelly Township, Union County
 Kimmel Township, Bedford County
 Kingsley Township, Forest County
 Kingston Township, Luzerne County
 King Township, Bedford County
 Kline Township, Schuylkill County
 Knox Township, Clearfield County
 Knox Township, Jefferson County
 Lackawannock Township, Mercer County
 Lack Township, Juniata County
 Lake Township, Luzerne County
 Lake Township, Mercer County
 Lamar Township, Clinton County
 Laporte Township, Sullivan County
 Larimer Township, Somerset County
 Lathrop Township, Susquehanna County
 Lawrence Township, Clearfield County
 Lawrence Township, Tioga County
 La Plume Township, Lackawanna County
 Leacock Township, Lancaster County
 Lebanon Township, Wayne County

Lehigh Township, Carbon County
 Lehigh Township, Lackawanna County
 Lehman Township, Luzerne County
 Leidy Township, Clinton County
 Lemon Township, Wyoming County
 Lenox Township, Susquehanna County
 Leroy Township, Bradford County
 Lewis Township, Lycoming County
 Lewis Township, Northumberland County
 Lewis Township, Union County
 Le Boeuf Township, Erie County
 Liberty Township, Adams County
 Liberty Township, Bedford County
 Liberty Township, Centre County
 Liberty Township, McKean County
 Liberty Township, Susquehanna County
 Liberty Township, Tioga County
 Licking Creek Township, Fulton County
 Licking Township, Clarion County
 Limerick Township, Montgomery County
 Limestone Township, Union County
 Lincoln Township, Bedford County
 Lincoln Township, Huntingdon County
 Lincoln Township, Somerset County
 Litchfield Township, Bradford County
 Little Beaver Township, Lawrence County
 Little Britain Township, Lancaster County
 Little Mahanoy Township, Northumberland County
 Locust Township, Columbia County
 Logan Township, Blair County
 Logan Township, Clinton County
 Logan Township, Huntingdon County
 Londonderry Township, Bedford County
 Lower Augusta Township, Northumberland County
 Lower Chanceford Township, York County
 Lower Chichester Township, Delaware County
 Lower Mahanoy Township, Northumberland County
 Lower Mount Bethel Township, Northampton County
 Lower Oxford Township, Chester County
 Lower Towamensing Township, Carbon County
 Lower Turkeyfoot Township, Somerset County
 Lower Tyrone Township, Fayette County
 Lower Windsor Township, York County
 Lower Yoder Township, Cambria County
 Loyalhanna Township, Westmoreland County
 Loyalsock Township, Lycoming County
 Lumber Township, Cameron County
 Lurgan Township, Franklin County
 Luzerne Township, Fayette County
 Madison Township, Armstrong County
 Madison Township, Clarion County
 Madison Township, Columbia County
 Madison Township, Lackawanna County
 Mahanoy Township, Schuylkill County
 Mahoning Township, Lawrence County
 Manchester Township, Wayne County
 Mann Township, Bedford County
 Manor Township, Armstrong County
 Marion Township, Butler County
 Marion Township, Centre County
 McCalmont Township, Jefferson County
 McHenry Township, Lycoming County
 McIntyre Township, Lycoming County
 McKean Township, Erie County
 McNett Township, Lycoming County
 Mead Township, Warren County
 Mehoopany Township, Wyoming County
 Menallen Township, Fayette County
 Menno Township, Mifflin County
 Meshoppen Township, Wyoming County
 Metal Township, Franklin County
 Middlebury Township, Tioga County
 Middlecreek Township, Somerset County
 Middletown Township, Susquehanna County
 Mifflin Township, Columbia County
 Mifflin Township, Lycoming County
 Miles Township, Centre County
 Milford Township, Juniata County
 Milford Township, Somerset County
 Millcreek Township, Clarion County
 Millcreek Township, Lebanon County
 Miller Township, Huntingdon County
 Millstone Township, Elk County
 Mill Creek Township, Lycoming County
 Mill Creek Township, Mercer County
 Mineral Township, Venango County
 Monongahela Township, Greene County
 Monroe Township, Bedford County
 Monroe Township, Bradford County
 Monroe Township, Juniata County
 Monroe Township, Wyoming County
 Montgomery Township, Franklin County
 Montgomery Township, Indiana County
 Montour Township, Columbia County
 Moreland Township, Lycoming County
 Morgan Township, Greene County
 Morris Township, Clearfield County
 Morris Township, Greene County
 Morris Township, Huntingdon County
 Morris Township, Tioga County
 Morris Township, Washington County
 Mount Carmel Township, Northumberland County
 Mount Pleasant Township, Columbia County
 Mount Pleasant Township, Wayne County
 Mount Pleasant Township, Westmoreland County
 Muncy Township, Lycoming County
 Munster Township, Cambria County
 Napier Township, Bedford County
 Nelson Township, Tioga County
 Nescopeck Township, Luzerne County
 Neville Township, Allegheny County
 Newport Township, Luzerne County
 New Castle Township, Schuylkill County
 Nicholson Township, Fayette County
 Nicholson Township, Wyoming County
 Nippenose Township, Lycoming County
 Northampton Township, Somerset County
 Northeast Madison Township, Perry County
 Northmoreland Township, Wyoming County
 North Buffalo Township, Armstrong County
 North Lebanon Township, Lebanon County
 North Mahoning Township, Indiana County
 North Shenango Township, Crawford County
 North Towanda Township, Bradford County
 North Union Township, Fayette County
 North Union Township, Schuylkill County
 North Woodbury Township, Blair County
 Norwegian Township, Schuylkill County
 Norwich Township, McKean County
 Noxen Township, Wyoming County
 Noyes Township, Clinton County
 Oakland Township, Butler County
 Oakland Township, Susquehanna County
 Oil Creek Township, Venango County
 Oil Creek Township, Crawford County
 Oliver Township, Jefferson County
 Oliver Township, Mifflin County
 Oregon Township, Wayne County
 Orwell Township, Bradford County
 Osceola Township, Tioga County
 Oswayo Township, Potter County
 Otto Township, McKean County
 Overfield Township, Wyoming County
 Overton Township, Bradford County
 Paint Township, Somerset County
 Paradise Township, Lancaster County
 Parker Township, Butler County
 Parks Township, Armstrong County
 Patterson Township, Beaver County
 Peach Bottom Township, York County
 Penn Township, Centre County
 Penn Township, Huntingdon County
 Penn Township, Lycoming County
 Penn Township, Snyder County
 Perry Township, Armstrong County
 Perry Township, Clarion County
 Perry Township, Fayette County
 Perry Township, Greene County
 Perry Township, Jefferson County
 Perry Township, Mercer County
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 Pike Township, Clearfield County
 Pike Township, Potter County
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 Pine Creek Township, Jefferson County
 Pine Grove Township, Warren County
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 Pine Township, Armstrong County
 Pine Township, Columbia County
 Pine Township, Crawford County
 Pine Township, Indiana County
 Pine Township, Lycoming County
 Pittsfield Township, Warren County
 Pittston Township, Luzerne County
 Plainfield Township, Northampton County
 Plains Township, Luzerne County
 Plain Grove Township, Lawrence County
 Pleasant Valley Township, Potter County
 Plumcreek Township, Armstrong County
 Plunketts Creek Township, Lycoming County
 Plymouth Township, Luzerne County
 Point Township, Northumberland County
 Polk Township, Jefferson County
 Portage Township, Potter County
 Porter Township, Clarion County
 Porter Township, Clinton County
 Porter Township, Huntingdon County
 Porter Township, Jefferson County
 Porter Township, Lycoming County
 Porter Township, Schuylkill County
 Potter Township, Centre County
 Preston Township, Wayne County
 Pulaski Township, Beaver County
 Putnam Township, Tioga County
 Quemahoning Township, Somerset County
 Quincy Township, Franklin County
 Ralpho Township, Northumberland County
 Randolph Township, Crawford County
 Ransom Township, Lackawanna County
 Rayburn Township, Armstrong County
 Rayne Township, Indiana County
 Reade Township, Cambria County
 Redbank Township, Armstrong County
 Redbank Township, Clarion County
 Redstone Township, Fayette County
 Reilly Township, Schuylkill County
 Rice Township, Luzerne County
 Richhill Township, Greene County
 Richland Township, Clarion County
 Richmond Township, Tioga County
 Ridgebury Township, Bradford County
 Ridgway Township, Elk County
 Roaring Creek Township, Columbia County
 Robinson Township, Washington County

Rockdale Township, Crawford County
 Rockefeller Township, Northumberland County
 Rome Township, Bradford County
 Rome Township, Crawford County
 Ross Township, Luzerne County
 Ross Township, Monroe County
 Roulette Township, Potter County
 Rush Township, Centre County
 Rush Township, Northumberland County
 Rush Township, Susquehanna County
 Rutland Township, Tioga County
 Sadsbury Township, Lancaster County
 Salem Township, Clarion County
 Salem Township, Luzerne County
 Salem Township, Mercer County
 Salisbury Township, Lancaster County
 Saltlick Township, Fayette County
 Sandy Creek Township, Mercer County
 Sandy Lake Township, Mercer County
 Saville Township, Perry County
 Schuylkill Township, Schuylkill County
 Scott Township, Lackawanna County
 Scott Township, Wayne County
 Scrubgrass Township, Venango County
 Sergeant Township, McKean County
 Shade Township, Somerset County
 Shamokin Township, Northumberland County
 Sharon Township, Potter County
 Sheffield Township, Warren County
 Shenango Township, Lawrence County
 Sheshequin Township, Bradford County
 Shippensburg Township, Cumberland County
 Shippen Township, Cameron County
 Shippen Township, Tioga County
 Shipley Township, Huntingdon County
 Shrewsbury Township, Lycoming County
 Shrewsbury Township, Sullivan County
 Slippery Rock Township, Butler County
 Slocum Township, Luzerne County
 Smithfield Township, Bradford County
 Smithfield Township, Huntingdon County
 Smith Township, Washington County
 Snake Spring Township, Bedford County
 Snow Shoe Township, Centre County
 Snyder Township, Blair County
 Somerset Township, Somerset County
 Southampton Township, Bedford County
 Southampton Township, Somerset County
 Southwest Township, Warren County
 South Bend Township, Armstrong County
 South Creek Township, Bradford County
 South Huntingdon Township, Westmoreland County
 South Lebanon Township, Lebanon County
 South Mahoning Township, Indiana County
 South Pymatung Township, Mercer County
 South Shenango Township, Crawford County
 South Versailles Township, Allegheny County
 South Woodbury Township, Bedford County
 Sparta Township, Crawford County
 Springfield Township, Bradford County
 Springfield Township, Erie County
 Springfield Township, Fayette County
 Springfield Township, Huntingdon County
 Springfield Township, Mercer County
 Springhill Township, Fayette County
 Springhill Township, Greene County
 Springville Township, Susquehanna County
 Spring Creek Township, Elk County
 Spring Creek Township, Warren County
 Spring Township, Centre County
 Spring Township, Crawford County
 Spring Township, Snyder County
 Spruce Creek Township, Huntingdon County
 Spruce Hill Township, Juniata County
 Standing Stone Township, Bradford County
 Sterling Township, Wayne County
 Steuben Township, Crawford County
 Stevens Township, Bradford County
 Stewardson Township, Potter County
 Stewart Township, Fayette County
 Stonycreek Township, Somerset County
 Stowe Township, Allegheny County
 St. Clair Township, Westmoreland County
 St. Thomas Township, Franklin County
 Sugarloaf Township, Columbia County
 Sugar Grove Township, Warren County
 Sullivan Township, Tioga County
 Summerhill Township, Cambria County
 Summerhill Township, Crawford County
 Summit Township, Potter County
 Summit Township, Somerset County
 Susquehanna Township, Cambria County
 Susquehanna Township, Juniata County
 Sweden Township, Potter County
 Sylvania Township, Potter County
 Taylor Township, Blair County
 Taylor Township, Centre County
 Taylor Township, Fulton County
 Tell Township, Huntingdon County
 Terry Township, Bradford County
 Thompson Township, Fulton County
 Thompson Township, Susquehanna County
 Tinicum Township, Delaware County
 Tioga Township, Tioga County
 Tionesta Township, Forest County
 Toby Township, Clarion County
 Todd Township, Fulton County
 Tod Township, Huntingdon County
 Towanda Township, Bradford County
 Tremont Township, Schuylkill County
 Troy Township, Bradford County
 Troy Township, Crawford County
 Turbett Township, Juniata County
 Tuscarora Township, Bradford County
 Tuscarora Township, Juniata County
 Tyrone Township, Blair County
 Ulster Township, Bradford County
 Ulysses Township, Potter County
 Union Township, Bedford County
 Union Township, Clearfield County
 Union Township, Crawford County
 Union Township, Erie County
 Union Township, Fulton County
 Union Township, Huntingdon County
 Union Township, Lebanon County
 Union Township, Luzerne County
 Union Township, Mifflin County
 Union Township, Schuylkill County
 Union Township, Snyder County
 Union Township, Tioga County
 Union Township, Union County
 Upper Mahanoy Township, Northumberland County
 Upper Mahantonga Township, Schuylkill County
 Mifflin Township, Northampton County
 Upper Mount Bethel Township, Northampton County
 Upper Nazareth Township, Northampton County
 Upper Turkeyfoot Township, Somerset County
 Upper Tyrone Township, Fayette County
 Valley Township, Armstrong County
 Vanpart Township, Beaver County
 Venango Township, Butler County
 Vernon Township, Crawford County
 Victory Township, Venango County
 Walker Township, Centre County
 Walker Township, Juniata County
 Walker Township, Schuylkill County
 Warren Township, Bradford County
 Warren Township, Franklin County
 Warrior's Mark Township, Huntingdon County
 Warsaw Township, Jefferson County
 Washington Township, Armstrong County
 Washington Township, Cambria County
 Washington Township, Clarion County
 Washington Township, Fayette County
 Washington Township, Greene County
 Washington Township, Indiana County
 Washington Township, Jefferson County
 Washington Township, Lawrence County
 Washington Township, Snyder County
 Washington Township, Wyoming County
 Waterford Township, Erie County
 Wayne Township, Armstrong County
 Wayne Township, Clinton County
 Wayne Township, Crawford County
 Wayne Township, Erie County
 Wayne Township, Greene County
 Wayne Township, Lawrence County
 Wayne Township, Mifflin County
 Wayne Township, Schuylkill County
 Wells Township, Bradford County
 Wells Township, Fulton County
 Westfield Township, Tioga County
 West Abington Township, Lackawanna County
 West Beaver Township, Snyder County
 West Bethlehem Township, Washington County
 West Branch Township, Potter County
 West Buffalo Township, Union County
 West Burlington Township, Bradford County
 West Cameron Township, Northumberland County
 West Carroll Township, Cambria County
 West Chillisquaque Township, Northumberland County
 West Fallowfield Township, Crawford County
 West Finley Township, Washington County
 West Franklin Township, Armstrong County
 West Keating Township, Clinton County
 West Lebanon Township, Lebanon County
 West Mahanoy Township, Schuylkill County
 West Mahoning Township, Indiana County
 West Penn Township, Schuylkill County
 West Providence Township, Bedford County
 West Salem Township, Mercer County
 West Shenango Township, Crawford County
 West St. Clair Township, Bedford County
 West Taylor Township, Cambria County
 West Township, Huntingdon County
 West Wheatfield Township, Indiana County
 Wetmore Township, McKean County
 Wharton Township, Fayette County
 Wharton Township, Potter County
 Whitley Township, Greene County
 White Township, Cambria County
 Wilkes-Barre Township, Luzerne County
 Wilmington Township, Lawrence County
 Wilmington Township, Mercer County
 Wilmot Township, Bradford County
 Windham Township, Bradford County
 Windham Township, Wyoming County
 Winfield Township, Butler County
 Winslow Township, Jefferson County
 Wolf Creek Township, Mercer County
 Woodbury Township, Bedford County
 Woodbury Township, Blair County

Woodcock Township, Crawford County
 Woodward Township, Lycoming County
 Wood Township, Huntingdon County
 Worth Township, Centre County
 Worth Township, Mercer County
 Wyalusing Township, Bradford County
 Wysox Township, Bradford County
 Young Township, Indiana County
 Young Township, Jefferson County
 Zerbe Township, Northumberland County

Rhode Island

Bristol Town, Bristol County
 New Shoreham Town, Washington County
 Warren Town, Bristol County
 West Warwick Town, Kent County

Vermont

Addison Town, Addison County
 *Albany Town, Orleans County
 *Alburg Town, Grand Isle County
 Athens Town, Windham County
 Bakersfield Town, Franklin County
 Barnet Town, Caledonia County
 *Barton Town, Orleans County
 Belvidere Town, Lamoille County
 Benson Town, Rutland County
 Berkshire Town, Franklin County
 Bethel Town, Windsor County
 Bloomfield Town, Essex County
 Braintree Town, Orange County
 Brattleboro Town, Windham County
 Bridport Town, Addison County
 Brighton Town, Essex County
 *Bristol Town, Addison County
 Brownington Town, Orleans County
 *Cabot Town, Washington County
 *Cambridge Town, Lamoille County
 Canaan Town, Essex County
 Castleton Town, Rutland County
 Charleston Town, Orleans County
 Chelsea Town, Orange County
 Corinth Town, Orange County
 Coventry Town, Orleans County
 Craftsbury Town, Orleans County
 Danby Town, Rutland County
 Danville Town, Caledonia County
 *Derby Town, Orleans County
 Dover Town, Windham County
 Duxbury Town, Washington County
 East Haven Town, Essex County
 Eden Town, Lamoille County
 Elmore Town, Lamoille County
 *Enosburg Town, Franklin County
 Fairfield Town, Franklin County
 Fairlee Town, Orange County
 Fair Haven Town, Rutland County
 Franklin Town, Franklin County
 Clover Town, Orleans County
 Granby Town, Essex County
 Greensboro Town, Orleans County
 Groton Town, Caledonia County
 Guildhall Town, Essex County
 Halifax Town, Windham County
 *Hardwick Town, Caledonia County
 Highgate Town, Franklin County
 Holland Town, Orleans County
 Hubbardton Town, Rutland County
 *Hyde Park Town, Lamoille County
 Irasburg Town, Orleans County
 Ira Town, Rutland County
 Jamaica Town, Windham County
 Jay Town, Orleans County
 *Johnson Town, Lamoille County
 Leicester Town, Addison County
 Lincoln Town, Addison County
 Lowell Town, Orleans County
 *Ludlow Town, Windsor County
 Lunenburg Town, Essex County
 *Lyndon Town, Caledonia County
 Maidstone Town, Essex County
 Marlboro Town, Windham County
 *Marshfield Town, Washington County
 Montgomery Town, Franklin County
 Moretown Town, Washington County
 Morgan Town, Orleans County
 *Morristown Town, Lamoille County
 Newark Town, Caledonia County
 Newport Town, Orleans County
 Norton Town, Essex County
 Orange Town, Orange County
 Orwell Town, Addison County
 Pawlet Town, Rutland County
 Peacham Town, Caledonia County
 *Plainfield Town, Washington County
 Plymouth Town, Windsor County
 *Poultney Town, Rutland County
 Reading Town, Windsor County
 *Richford Town, Franklin County
 Ripton Town, Addison County
 Rochester Town, Windsor County
 *Rockingham Town, Windham County
 Roxbury Town, Washington County
 Royalton Town, Windsor County
 Ryegate Town, Caledonia County
 Sandgate Town, Bennington County
 Searsburg Town, Bennington County
 Sharon Town, Windsor County
 Sheffield Town, Caledonia County
 Sheldon Town, Franklin County
 Springfield Town, Windsor County
 Stannard Town, Caledonia County
 Starksboro Town, Addison County
 *Stowe Town, Lamoille County
 Strafford Town, Orange County
 St. Johnsbury Town, Caledonia County
 Sudbury Town, Rutland County
 Sutton Town, Caledonia County
 *Swanton Town, Franklin County
 Topsham Town, Orange County
 Townshend Town, Windham County
 *Troy Town, Orleans County
 Tunbridge Town, Orange County
 Vershire Town, Orange County
 Victory Town, Essex County
 Walden Town, Caledonia County
 Waltham Town, Addison County
 Wardsboro Town, Windham County
 Washington Town, Orange County
 *Waterbury Town, Washington County
 Waterville Town, Lamoille County
 Wells Town, Rutland County
 Westfield Town, Orleans County
 *Westminster Town, Windham County
 Westmore Town, Orleans County
 West Fairlee Town, Orange County
 West Haven Town, Rutland County
 West Rutland Town, Rutland County
 Weybridge Town, Addison County
 Wheelock Town, Caledonia County
 *Whitingham Town, Windham County
 Williamstown Town, Orange County
 Windsor Town, Windsor County
 Wolcott Town, Lamoille County
 Woodbury Town, Washington County
 Woodford Town, Bennington County
 Worcester Town, Washington County

Puerto Rico

Adjuntas Municipio

Aguada Municipio
 Aguas Buenas Municipio
 Aibonito Municipio
 Añasco Municipio
 Arroyo Municipio
 Barceloneta Municipio
 Barranquitas Municipio
 Cabo, Rojo Municipio
 Camuy Municipio
 Canóvanas Municipio
 Cataño Municipio
 Cayey Municipio
 Ceiba Municipio
 Ciales Municipio
 Cidra Municipio
 Coamo Municipio
 Comerío Municipio
 Corozal Municipio
 Culebra Municipio
 Dorado Municipio
 Florida Municipio
 Guanica Municipio
 Guayama Municipio
 Guayanilla Municipio
 Gurabo Municipio
 Hatillo Municipio
 Hormigueros Municipio
 Humacao Municipio
 Isabela Municipio
 Jayuya Municipio
 Juana Diaz Municipio
 Juncos Municipio
 Lajas Municipio
 Lares Municipio
 Las Marías Municipio
 Las Piedras Municipio
 Loíza Municipio
 Luquillo Municipio
 Manatí Municipio
 Maricao Municipio
 Maunabo Municipio
 Moca Municipio
 Morovis Municipio
 Naguabo Municipio
 Naranjito Municipio
 Orocovis Municipio
 Patillas Municipio
 Peñuelas Municipio
 Quebradillas Municipio
 Rincón Municipio
 Rio Grande Municipio
 Sabana Grande Municipio
 Salinas Municipio
 Santa Isabel Municipio
 San Germán Municipio
 San Lorenzo Municipio
 San Sebastián Municipio
 Toa Alta Municipio
 Utuado Municipio
 Vega Alta Municipio
 Vega Baja Municipio
 Vieques Municipio
 Villalba Municipio
 Yabucoa Municipio
 Yauco Municipio

Dated: February 3, 1984.

Stephen J. Bollinger,
 Assistant Secretary for Community Planning
 and Development.

[FR Doc. 84-3522 Filed 2-10-84; 8:45 am]

BILLING CODE 4210-29-M

Federal Register

**Monday
February 13, 1984**

Part III

Department of the Interior

Office of the Secretary

48 CFR Ch. 14

Acquisition Regulations; Proposed Rule

DEPARTMENT OF THE INTERIOR**Office of the Secretary****48 CFR Ch. 14****Department of the Interior Acquisition Regulation (DIAR)****AGENCY:** Office of the Secretary, Interior.**ACTION:** Notice of proposed rulemaking.

SUMMARY: This notice invites comments on the Department of the Interior Acquisition Regulation (DIAR) which implements and supplements the Federal Acquisition Regulation (FAR). The DIAR will replace the current Interior Procurement Regulations (41 CFR Part 14) on April 1, 1984.

DATE: Comments must be received on or before March 14, 1984.

ADDRESS: Division of Acquisition and Grants, Office of Acquisition and Property Management, Department of the Interior, 18th and C Streets, NW., Washington, D.C. 20240.

FOR FURTHER INFORMATION CONTACT: William Opdyke, Chief, Branch of Policy and Regulations, Division of Acquisition and Grants, Office of Acquisition and Property Management, telephone (202) 343-3433.

SUPPLEMENTARY INFORMATION:
Explanation

The proposed acquisition regulations under this rulemaking action contain only those Department-wide policies, procedures, and contract clauses, and solicitation provisions which directly govern the contracting process or control the relationship between the Department's bureaus and offices and contractors or prospective contractors. Internal guidance involving designations, delegations of authority, administrative procedures, and reporting requirements necessary to implement the FAR within the Department is not contained in this action since such guidance is not required to be published in the *Federal Register* pursuant to FAR 1.301(b).

Primary Author

The primary author of this rule is William Opdyke, Office of Acquisition and Property Management, telephone (202) 343-3433.

Executive Order 12291 and Regulatory Flexibility Act

The Director, Office of Management and Budget has exempted agency procurement regulations from the requirements of Executive Order 12291 by memorandum dated December 15, 1983. The Department has certified that this document will not have a significant economic effect on a substantial number of small entities under the Regulatory Flexibility act (5 U.S.C. 601 *et seq.*)

Paperwork Reduction Act

The information collection requirements contained in 48 CFR 1452.204-72, 1452.210-70, and 1452.225-70 will be submitted to the Office of Management and Budget for approval as required by 44 U.S.C. 3501 *et seq.* The collection of this information will not be required until it has been approved by the Office of Management and Budget. Comments on the information collection requirements should be submitted to Nancy Baldwin, Desk Officer, Office of Management and Budget, Office of Information and Regulatory Affairs, 725 Jackson Place, Room 3001, Washington, D.C. 20503, as well as to the Departmental address listed above.

List of Subject in 48 CFR Chapter 14

Government procurement, Indian business and finance, Insurance.

For the reasons set out in the preamble, Chapter 14 of Title 48 of the Code of Federal Regulations is proposed as set forth below pursuant to the authority of the Secretary of the Interior contained in Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Dated: February 2, 1984.

Richard R. Hite,

Deputy Assistant Secretary of the Interior.

It is proposed to add Chapter 14 to Title 48 of the Code of Federal Regulations to read as follows:

CHAPTER 14—DEPARTMENT OF THE INTERIOR ACQUISITION REGULATION**SUBCHAPTER A—GENERAL**

- Part 1401—Department of the Interior acquisition regulation system
- Part 1403—Improper business practices and personal conflicts of interest
- Part 1404—Administrative matters

SUBCHAPTER B—ACQUISITION PLANNING

- Part 1407—Acquisition planning
- Part 1409—Contractor qualifications
- Part 1410—Specifications, standards and other purchase descriptions

SUBCHAPTER C—CONTRACTING METHODS AND CONTRACT TYPES

- Part 1413—Small purchases and other simplified purchase procedures
- Part 1414—Formal advertising
- Part 1415—Contracting by negotiations

SUBCHAPTER D—SOCIOECONOMIC PROGRAMS

- Part 1419—Small business and small disadvantaged business concerns
- Part 1420—Labor surplus area concerns
- Part 1424—Protection of privacy and freedom of information
- Part 1425—Foreign acquisition

SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS

- Part 1428—Bonds and insurance

- Part 1432—Contract financing
- Part 1433—Disputes and appeals

SUBCHAPTER F—SPECIAL CATEGORIES OF CONTRACTING

- Part 1436—Construction and architect—engineering contracts
- Part 1437—Service contracting

SUBCHAPTER G—CONTRACT MANAGEMENT

- Part 1442—Contract administration

SUBCHAPTER H—CLAUSES AND FORMS

- Part 1452—Solicitation provisions and contract clauses
- Part 1453—Forms

SUBCHAPTER A—GENERAL**PART 1401—DEPARTMENT OF THE INTERIOR ACQUISITION REGULATION SYSTEM****Subpart 1401.3—Agency Acquisition Regulations****Sec.**

- 1401.301 Policy.
- 1401.302 Limitations.
- 1401.303 Codification and public participation.
- 1401.304 Agency control and compliance procedures.

Subpart 1401.6—Contracting Authority and Responsibilities

- 1401.601 General.
- 1401.602 Contracting officers.
- 1401.602-1 Authority.
- 1401.603 Selection, appointment and termination of appointment.
- 1401.603-1 General.
- 1401.607 Appointment and termination of appointment of contracting officers' representatives.
- 1401.670-1 General.
- 1401.670-2 Appointment.
- 1401.670-3 Limitations.
- 1401.670-4 Termination.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1401.3—Agency Acquisition Regulations**§ 1401.301 Policy.**

(a) Subject to the authorities in (c) below, the Department issues acquisition regulations which implement or supplement the FAR under the Department of the Interior Acquisition Regulations (DIAR) System. The regulations, as part of the FAR system, are issued in accordance with the policy in FAR 1.301(a).

(b) Subject to the authorities in (c) below, the Department also issues internal guidance and instructions under the DIAR System in accordance with the policy in FAR 1.301(b).

(c) Regulations and internal guidance under the DIAR System are issued pursuant to the authority of the

Secretary of the Interior under 5 U.S.C. 301 and 40 U.S.C. 486(c). This authority has been delegated to the Assistant Secretary—Policy, Budget and Administration under Part 209, Chapter 4.1A of the Departmental Manual (209 DM 4.1A).

§ 1401.302 Limitations.

DIAR System regulations and internal guidance conform to the limitations in FAR 1.301 and consist of:

- (a) Published and codified Department-wide regulations which implement or supplement FAR policies and procedures and directly govern the contracting relationship between the department's bureaus and offices and existing or potential contractors;
- (b) Published and codified bureau-wide regulations which supplement FAR policies and procedures and govern the relationship between a bureau and existing or potential contractors to satisfy specific and unique needs of the particular bureau;
- (c) Unpublished Department-wide internal guidance related to administrative implementation of FAR policies and procedures which does not directly affect existing or potential contractors; and
- (d) Unpublished bureau-wide internal guidance which is necessary for administrative implementation of FAR or DIAR System requirements at organizational levels.

§ 1401.303 Codification and public participation.

- (a) Implementing and supplementing regulations issued under the DIAR System are codified under Chapter 14 in Title 48, Code of Federal Regulations and conform to the requirements in FAR 1.303.
- (b) Department-wide regulations (see 1401.302(a)) are assigned Parts 1401 through 1479 under 48 CFR.
- (c) Bureau-wide regulations (see 1401.302(b)) are assigned Parts 1480–1499 under 48 CFR as follows:
 - 1480–1481 Bureau of Indian Affairs
 - 1482 Office of the Secretary
 - 1483 Bureau of Reclamation
 - 1484 Bureau of Land Management
 - 1485 Bureau of Mines
 - 1486 Geological Survey
 - 1487 Office of Surface Mining
 - 1488 Minerals Management Service
 - 1489 National Park Service
 - 1490 Fish and Wildlife Service
 - 1491–1499 [Reserved]
- (d) Public participation in the promulgation of the acquisition regulations which are published in the Federal Register shall follow the Department's rulemaking procedures prescribed in Part 318, Chapter 6 of the

Departmental Manual (318 DM 6) and the procedures in FAR Subpart 1.5.

(e) Copies of Department-wide and bureau-wide acquisition regulations and Department-wide internal guidance may be obtained from the Office of Acquisition and Property Management, Office of the Secretary, U.S. Department of the Interior, Washington, D.C. 20240.

§ 1401.304 Agency control and compliance procedures.

- (a) The DIAR system is under the direct oversight and control of the Director, Office of Acquisition and Property Management, who is responsible for review and issuance of all Department-wide and bureau-wide acquisition regulations published in the Federal Register to assure compliance with FAR Part 1. Review procedures are contained in Part 401 of the Departmental Manual (401 DM).
- (b) The Director, Office of Acquisition and Property Management is also responsible for review and issuance of unpublished, Department-wide internal guidance under the DIAR System.
- (c) Heads of contracting activities are responsible for establishment and implementation of formal procedures for oversight and control of all unpublished bureau-wide internal guidance issued to implement FAR or DIAR requirements. These procedures shall be reviewed and approved by the Director, Office of Acquisition and Property Management and shall include:

- (1) Provisions for centralized issuance of all guidance and instructions using a directives system;
- (2) Methods for periodic review and updating of all issuances;
- (3) Distribution processes which assure timely receipt by all affected contracting offices; and
- (4) Provisions for maintaining compliance with FAR 1.304.

(d) The Director, Office of Acquisition and Property Management is responsible for evaluating coverage under the DIAR System to determine applicability to other agencies and for recommending coverage to the FAR Secretariat for inclusion in the FAR.

(e) Recommendations for revision of existing FAR coverage or new FAR coverage shall be submitted by the head of the contracting activity to the Director, Office of Acquisition and Property Management for further action.

Subpart 1401.6—Contracting Authority and Responsibilities

§ 1401.601 General.

- (a) The authority and responsibility vested in the Secretary to contract for authorized supplies and services is delegated to Assistant Secretaries.

(b) The contracting authority and responsibility delegated to Assistant Secretaries may be redelegated to heads of bureaus and offices under their supervision in accordance with Part 200, Chapter 3 of the Departmental Manual (200 DM 3). Such redelegations are published in bureau chapters of the Part 200 series of the Departmental Manual.

(c) Bureau heads and assistant or associate heads thereof (known as heads of contracting activities as defined in 1402.1) may redelegate contracting authority only as prescribed in 1401.603.

§ 1401.602 Contracting officers.

§ 1401.602-1 Authority.

Information on the limits of contracting officers' authority shall be maintained by the head of the contracting activity as required in FAR 1.602-1. The Office of Acquisition and Property Management shall also maintain this information.

§ 1401.603 Selection, appointment and termination of appointment.

§ 1401.603-1 General.

Heads of contracting activities (see Subpart 1402.1) are authorized to select and appoint contracting officers and terminate their appointment as prescribed in the Department's "Contracting Officers' Warrant System Manual." Copies of the manual may be obtained upon request from the Office of Acquisition and Property Management, Office of the Secretary, U.S. Department of the Interior, Washington, D.C. 20240.

§ 1401.670 Appointment and termination of appointment of contracting officers' representatives.

§ 1401.670-1 General.

A contracting officer may select and appoint an individual to act as an authorized representative in the administration of a contract based on the technical, professional and administrative qualifications of the individual.

§ 1401.670-2 Appointment.

- (a) Contracting officers' representatives shall be appointed in writing by the contracting officer. The appointment shall state the scope and limitations of authority (see 1401.670-3) and identify the contract(s) which the representative will administer.
- (b) Changes in the scope or limitations of authority shall be made by written amendments to the existing appointment or by issuance of a new appointment.

(c) A copy of the appointment shall be promptly forwarded to the contractor after issuance by the contracting officer.

§ 1401.670-3 Limitations.

Each appointment of a contracting officers' representative made by the contracting officer shall clearly state that the representative is not authorized under any circumstances to:

(a) Award, agree to, or execute any contract, contract modification, or notice of intent;

(b) Obligate, in any way, the payment of money by the Government;

(c) Make a final decision on any contract matter which is subject to the clause at FAR 52.233-1, Disputes; or

(d) Terminate, for any cause, the contractor's right to proceed.

§ 1401.670-4 Termination.

Termination of a contracting officer's representative appointment shall be made in writing by the contracting officer and shall state the date such termination is effective. A copy of the termination shall be promptly forwarded to the contractor after issuance by the contracting officer.

PART 1403—IMPROPER BUSINESS PRACTICES AND PERSONAL CONFLICTS OF INTEREST

Subpart 1403.1—Safeguards

Sec.

1403.101 Standards of conduct.

1403.101-3 Agency regulations.

Subpart 1403.2—Contractor Gratuities to Government Personnel

1403.203 Reporting suspected violations of the Gratuities clause.

1403.203-70 Procedures.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1403.1—Safeguards

§ 1403.101 Standards of conduct.

§ 1403.101-3 Agency regulations.

Department of the Interior regulations governing the conduct and responsibilities of regular and special employees are contained in 43 CFR Part 20. Authorized exceptions to FAR 3.101-2 are contained in 43 CFR 20.735-7 and 20.735-8.

Subpart 1403.2—Contractor Gratuities to Government Personnel

§ 1403.203 Reporting suspected violations of the Gratuities clause.

§ 1403.203-70 Procedures.

(a) *Action Official.* The Director, Office of Acquisition and Property Management, is the Departmental official authorized to take action

pursuant to FAR 3.204(c) against a contractor if it is determined that a violation of the clause at FAR 52.203-3, Gratuities, has occurred. This authority may not be delegated.

(b) *Referral.* Whenever a suspected violation of the clause at FAR 52.203-3, Gratuities, becomes known to a Department employee, the matter shall be reported to the cognizant contracting officer. The report shall be in writing and shall clearly state the circumstances surrounding the incident or incidents where it is alleged that the contractor offered or gave a gratuity to a Department employee and intended by the gratuity to obtain a contract or favorable treatment under a contract. The date(s), location(s) and name(s) of all parties involved in the incident shall be included in the report. The report shall also include a recommended course of action in accordance with FAR 3.204(c) and shall be submitted through the head of the contracting activity to the Director, Office of Acquisition and Property Management for disposition.

(c) *Notice to contractor.* After review of the report and consultation with the Office of the Solicitor and Office of the Inspector General, as appropriate, the Director, Office of Acquisition and Property Management shall determine further action to be taken. If required, the contractor shall be provided with a formal notice which summarizes the events involving the suspected violation and affords the contractor the opportunity to take the action(s) listed under FAR 3.204(b). The notice shall contain a time limit for reply and shall be sent by certified mail return receipt requested.

(d) *Decision.* Based on the contractor's response to the notice, the results of any further discussion with the contractor, its counsel or witnesses, the review of additional documentary evidence, and other pertinent information, the Director, Office of Acquisition and Property Management shall make a final and binding decision on the action to be taken in accordance with FAR 3.204(c) and shall provide the contractor with a formal notice of such action.

PART 1404—ADMINISTRATIVE MATTERS

Subpart 1404.4—Safeguarding Classified Information Within Industry

Sec.

1404.402 General.

Subpart 1404.7—Contractor Records Retention

1404.701 Purpose.

1404.702 Applicability.

Subpart 1404.8—Contract Files

Sec.

1404.804 Closeout of contract files.

1404.804-70 Release of claims.

Subpart 1404.70—Indian Preference

1404.7000 Scope of subpart.

1404.7001 Definitions.

1404.7002 Statutory requirements.

1404.7003 Applicability and contract clause.

1404.7004 Compliance enforcement.

1404.7005 Tribal preference requirements.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c) and 5 U.S.C. 301.

Subpart 1404.4—Safeguarding Classified Information Within Industry

§ 1404.402 General.

(a) The Department of the Interior has entered into an agreement with the Department of Defense (DOD) to be covered by the Defense Industrial Security Program (DISP). The agreement is contained in Appendix 1, Part 443, Chapter 1 of the Department Manual (443 DM 1).

(b) Classified acquisitions or contracts (see FAR 4.401) shall be subject to the instructions contained in the DOD publications listed in FAR 4.402(b).

Subpart 1404.7—Contractor Records Retention

§ 1404.701 Purpose.

This subpart contains additional record retention requirements of the Department of the Interior.

§ 1404.702 Applicability.

In addition to the clauses listed under FAR 4.702(a), FAR Subpart 4.7 shall apply to records generated under contracts containing the clause at § 1452.215-70, Examination of Records by the Department of the Interior.

Subpart 1404.8—Contract Files

§ 1404.804 Closeout of contract files.

§ 1404.804-70 Release of claims.

(a) The contracting officer shall insert the clause at § 1452.204-70, Release of Claims, in all construction contracts which exceed \$25,000 and in all cost-reimbursement contracts which exceed \$25,000. A release of claims clause may be inserted in other types of contracts when the contracting officer determines that the release is necessary to protect the interests of the Government.

(b) Form DI-137, Release of Claims (see 1453.204-70), shall be used for obtaining a release of claims.

Subpart 1404.70—Indian Preference

§ 1404.7000 Scope of subpart.

This subpart prescribes policies and procedures for implementation of

section 7(b) of the Indian Self-Determination and Education Assistance Act (Pub. L. 93-638, 88 Stat. 2205, 25 U.S.C. 450e(b)).

§ 1404.7001 Definitions.

For purposes of this subpart the following definitions shall apply:

"Indian" means a person who is a member of an Indian Tribe. If the contractor has reason to doubt that a person seeking employment preference is an Indian, the contractor shall grant the preference but shall require the individual within thirty (30) days to provide evidence from the Tribe concerned that the person is a member of the Tribe.

"Indian organization" means the governing body of any Indian Tribe or entity established or recognized by such governing body in accordance with the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451).

"Indian-owned economic enterprise" means any Indian-owned commercial, industrial, or business activity established or organized for the purpose of profit provided that such Indian ownership shall constitute not less than 51 percent of the enterprise.

"Indian reservation" includes Indian reservations, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act (85 Stat. 688; 43 U.S.C. 1601 et seq.).

"Indian Tribe" means an Indian Tribe, band, nation, or other recognized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 688; 43 U.S.C. 1601), which recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

"On or near Indian reservation" means on a reservation or the distance within that area surrounding an Indian reservation(s) that a person seeking employment could reasonably be expected to commute to and from in the course of a work day.

§ 1404.7002 Statutory requirements.

Section 7(b) of the Indian Self-Determination and Education Assistance Act requires that any contract or subcontract entered into pursuant to that Act, the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452), as amended, (the Johnson-O'Malley Act), or any other Act authorizing contracts with Indian organizations or for the

benefit of Indians shall require that, to the greatest extent feasible: (a) Preferences and opportunities for training and employment in connection with the administration of such contracts shall be given to Indians, and (b) preference in the award of subcontracts in connection with the administration of such contracts shall be given to Indian organizations and to Indian-owned economic enterprises as defined in section 3 of the Indian Financing Act of 1974 (Sec. 3, Pub. L. 93-262; 88 Stat. 77; 25 U.S.C. 1452).

§ 1404.7003 Applicability and contract clause.

(a) The contracting officer shall insert the clause at 1452.204-71, Indian Preference—Department of the Interior, in solicitations issued and contracts awarded by: (1) The Bureau of Indian Affairs, except solicitations issued and contracts awarded pursuant to Title I and to Indian Tribes and Indian Organizations under Title II of Pub. L. 93-638 (25 U.S.C. 450 et seq., and 25 U.S.C. et seq., respectively), (2) a contracting activity other than the Bureau of Indian Affairs when the contract is entered into pursuant to an act specifically authorizing contracts with Indian organizations, and (3) a contracting activity other than the Bureau of Indian Affairs where the work to be performed is specifically for the benefit of Indians and is in addition to any incidental benefits which might otherwise accrue to the general public.

(b) The contracting officer shall insert the clause at § 1452.204-72, Indian Preference Program—Department of the Interior, in all solicitations issued and contracts awarded by a contracting activity which may exceed \$50,000, which contain the clause required by paragraph (a) above and where it is determined by the contracting officer, prior to solicitation, that the work under the contract will be performed in whole or in part on or near an Indian reservation(s). The Indian Preference Program clause may also be included in solicitations issued and contracts awarded by a contracting activity which may not exceed \$50,000, but which contain the clause required by paragraph (a) above and which, in the opinion of the contracting officer, offer substantial opportunities for Indian employment, training or subcontracting.

§ 1404.7004 Compliance enforcement.

(a) The contracting officer is responsible for conducting periodic reviews of the contractor to ensure compliance with the requirements of the clauses prescribed in 1404.7003. There reviews may be conducted with the

assistance of the Indian Tribe(s) concerned.

(b) Complaints of noncompliance with the requirements of the clauses prescribed under § 1404.7003 which are received in writing by the contracting activity shall be promptly investigated by the contracting officer and a written disposition of the complaint shall be prepared.

§ 1404.7005 Tribal preference requirements.

(a) Where the work under a contract is to be performed on an Indian reservation, the contracting officer may supplement the clause at § 1452.204-72, Indian Preference Program—Department of the Interior, by adding specific Indian preference requirements of the Tribe on whose reservation the work is to be performed. The supplemental requirements shall be jointly developed for the contract by the contracting officer and the Tribe. Supplemental preference requirements must represent a further implementation of the requirements of section 7(b) of Pub. L. 93-638 and must be approved by the Office of the Solicitor for legal sufficiency before being added to a solicitation and resultant contract. Any supplemental preference requirements to be added to the clause at § 1452.204-72 shall be included in the solicitation and clearly identified in order to ensure uniform understanding of the additional requirements by all prospective bidders or offerors.

(b) Nothing in these regulations shall be interpreted to preclude Tribes from independently developing and enforcing their own tribal preference requirements. Such independently developed tribal preference requirements shall not, except as provided in (a) above, become a requirement in contracts covered under this subpart 1404.70 and must not hinder the Government's right to award contracts and to administer their provisions.

SUBCHAPTER B—ACQUISITION PLANNING

PART 1407—ACQUISITION PLANNING

Subpart 1407.3—Contractor Versus Government Performance

Sec.

1407.302 General.

1407.307 Appeals.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c) and 5 U.S.C. 301.

Subpart 1407.3—Contractor Versus Government Performance

§ 1407.302 General.

The Department has implemented the requirements of OMB Circular A-76 and FAR Subpart 7.3 in Part 403 of the Departmental Manual (403 DM).

§ 1407.307 Appeals.

The Department's appeals procedures required by OMB Circular A-76 and FAR 7.307 are codified in 43 CFR Part 4, Subpart M.

PART 1409—CONTRACTOR QUALIFICATIONS

Subpart 1409.4—Debarment, Suspension and Ineligibility

Sec.

1409.400 Scope of subpart.

1409.404 Consolidated list of debarred, suspended and ineligible contractors.

1409.405 Effect of listing.

1409.405-1 Continuation of current contracts.

1409.406 Debarment.

1409.406-1 General.

1409.406-3 Procedures.

1409.407 Suspension.

1409.407-1 General.

1409.407-3 Procedures.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1409.4—Debarment, Suspension and Ineligibility

§ 1409.400 Scope of subpart.

As required by FAR 9.402(c), this subpart prescribes Departmental policies and procedures governing the debarment and suspension of contractors, the listing of the debarred and suspended contractors, and dissemination of this listing.

§ 1409.404 Consolidated list of debarred, suspended and ineligible contractors.

(a) The Division of Acquisition and Grants, Office of Acquisition and Property Management, is responsible for accomplishing the actions required in FAR 9.404(c).

(b) Monthly issues of the consolidated list shall be disseminated by the heads of contracting activities to all contracting offices after receipt from GSA.

(c) Weekly supplements to monthly lists shall be furnished to each bureau headquarters office by the Division of Acquisition and Grants, Office of Acquisition and Property Management. Each bureau shall maintain list supplements at a central location and issue instructions requiring contracting officers to contact this location in order to obtain current information and ensure effective use of the list as required by FAR 9.405.

§ 1409.405 Effect of listing.

The Director, Office of Acquisition and Property Management, is authorized to make the determinations listed in FAR 9.405(a). Requests for such determinations shall be submitted by the head of the contracting activity to the Director, Office of Acquisition and Property Management.

§ 1409.405-1 Continuation of current contracts.

The Director, Office of Acquisition and Property Management, is authorized to take the actions listed in FAR 9.405-1.

§ 1409.406 Debarment.

§ 1409.406-1 General.

(a) The Director, Office of Acquisition and Property Management, is the debarment official for the Department and is authorized to debar a contractor for any of the causes in FAR 9.406-2, using the procedures in 1409.406-3.

(b) The Director, Office of Acquisition and Property Management, is authorized to make the statement regarding debarment by another agency debarment official under the conditions in FAR 9.406-1(c).

§ 1409.406-3 Procedures.

(a) *Investigation and referral.* Whenever a cause for debarment, as listed in FAR 9.406-2, becomes known to a Department employee, the matter shall be referred to the head of the contracting activity involved. The head of the contracting activity shall consult with the Office of the Solicitor and the Office of Inspector General, as appropriate, and submit a formal recommendation which documents the cause for debarment to the Director, Office of Acquisition and Property Management.

(b) *Notice of proposal to debar.* Based upon review of the recommendation to debar and consultation with the Office of the Solicitor and Office of Inspector General, as appropriate, the Director, Office of Acquisition and Property Management shall initiate proposed debarment by taking the actions listed in FAR 9.406-3(c) and advising the contractor of the Department's rules under this Subpart 1409.4.

(c) *Factfinding proceedings.* For actions listed under FAR 9.406-3(b)(2), the Director, Office of Acquisition and Property Management shall afford the contractor the opportunity to appear at a hearing as required by FAR 9.406-3(b)(2)(i). The hearing shall be conducted by the Director, Office of Acquisition and Property Management, or designee, and shall be held at a location convenient to the parties concerned as determined by the Director

and on a date and time stated. Subject to the provisions of 43 CFR Part 1, the contractor and any specifically named affiliates, may be represented by counsel or any duly authorized representative. Witnesses may be called by either party. The proceedings shall be conducted expeditiously and in such a manner that each part will have a full opportunity to present all information considered pertinent to the proposed debarment. A transcript of the proceedings shall be made available to the contractor under the conditions in FAR 9.406-3(b)(2)(ii).

(d) *Decision and notice.* The Director, Office of Acquisition and Property Management shall make a decision on imposing debarment in accordance with the procedures in FAR 9.406-3(d) and the conditions in FAR 9.406-4 and 9.406-5. Notice of the decision shall be provided to the contractor and any affiliates involved in accordance with the procedures in FAR 9.406-3(e).

§ 1409.407 Suspension.

§ 1409.407-1 General.

(a) The Director, Office of Acquisition and Property Management is the suspension official for the Department and is authorized to suspend a contractor for any of the causes in FAR 9.407-2, using the procedures in § 1409.407-3.

(b) The Director, Office of Acquisition and Property Management is authorized to make the statement regarding suspension by another agency suspending official under the conditions in FAR 9.407-1(d).

§ 1409.407-3 Procedures.

(a) *Investigation and referral.* Whenever a cause for suspension, as listed in FAR 9.407-2, becomes known to a Department employee, the matter shall be referred to the head of the contracting activity involved. The head of the contracting activity shall consult with the Office of the Solicitor and the Office of Inspector General, as appropriate, and submit a formal recommendation which documents the cause for suspension to the Director, Office of Acquisition and Property Management.

(b) *Notice suspension.* Based upon review of the recommendation to suspend and consultation with the Office of the Solicitor and the Office of Inspector General, as appropriate, the Director, Office of Acquisition and Property Management shall initiate suspension by taking the actions listed in FAR 9.407-3(c) and advising the contractor of the Department's rules under this Subpart 1409.4.

(c) *Factfinding proceedings.* For actions listed under FAR 9.407-3(b)(2), the Director, Office of Acquisition and Property Management shall afford the contractor the opportunity to appear at a hearing as required by FAR 9.407-3(b)(2)(i). The hearing shall be conducted under the conditions in § 1409.406-3(c).

(d) *Suspension decision.* The Director, Office of Acquisition and Property Management shall make a final decision on suspension as prescribed in FAR 9.407-3(d). Notice of the decision shall be provided to the contractor and any affiliates involved in accordance with the procedures in FAR 9.407-3(d)(4).

PART 1410—SPECIFICATIONS, STANDARDS AND OTHER PURCHASE DESCRIPTIONS

Sec.

1410.004 Selecting specifications or descriptions for use.

1410.004-70 Brand name products or equal.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

§ 1410.004 Selecting specifications or descriptions for use.

(a) In accordance with FAR 10.004(b)(2), purchase descriptions shall not specify a product, or specific feature of a product, peculiar to a manufacturer unless it is determined in writing by the office initiating the purchase request that the product, or specific product feature, is essential to the Government's requirements and other similar products will not meet their requirements. This determination shall be in writing and shall accompany the purchase requisition.

(b) A "brand name or equal" purchase description shall be used only under the conditions listed in FAR 10.004(b)(3) and in accordance with the policies and procedures in § 1410.004-70.

(c) Bureaus and offices shall be responsible for requiring adequate packing, packaging, and marking requirements when acquiring supplies in accordance with FAR 10.004(e).

§ 1410.004-70 Brand name products or equal.

(a) *Limitations on use.* The identification of a requirement in a purchase description by use of one or more brand name products followed by the words "or equal" shall be used only under the conditions listed in FAR 10.004(b)(3). A "brand name product" means a current commercial product of a manufacturer described by its brand name, make, model number, catalog designation or other description by which it is regularly offered for sale to

the public in the commercial market place.

(b) *Invitation requirements.* (1) "Brand name or equal" purchase descriptions in invitations shall identify salient characteristics of the product (see subparagraph (b)(2) of this 1410.004-70) and contain the following information to describe the specific item:

(i) Identification of the item by generic descriptions;

(ii) Make, model number, catalog designation (or other description), and identification of commercial catalog where it is listed; and

(iii) Name of manufacturer, producer, or distributor of the item and complete address.

(2) In accordance with the policy in FAR 10.002, whenever a "brand name or equal" purchase description is used, offerors shall be given the opportunity to offer products equal to the brand name if those products (including modifications thereto) satisfy the minimum needs of the Government. Therefore, all salient characteristics of the brand name or equal product which are determined by the office initiating the purchase request to be essential to the Government's minimum needs shall be separately identified under the heading of "salient characteristics" and included in the purchase description contained in the solicitation so the offeror understands the information to be submitted with its bid when offering an "equal" product for evaluation. In addition, the following statement shall be included at the end of each "brand name or equal" description in a solicitation for an offeror to identify its "equal" product:

"Offerors proposing to furnish an "equal" product, in accordance with the "Brand Name or Equal" provision of this solicitation, shall insert the following description for the product.

Bidding on:

Manufacturer's Name: _____

Address: _____

Product Name (if any): _____

Product make, model, _____

or catalog description: _____

Offerors shall also be responsible for submitting all additional information on the above product necessary for the Government to determine whether the product offered meets the salient characteristics of the "brand name" as listed in the solicitation."

(3) In addition, the provision at 1452.210-70, Brand Name or Equal-Department of the Interior, shall be inserted by the contracting officer in solicitations where a "brand name or equal" purchase description is used.

SUBCHAPTER C—CONTRACTING METHODS AND CONTRACT

PART 1413—SMALL PURCHASES AND OTHER SIMPLIFIED PURCHASE PROCEDURES

Subpart 1413.1—General

Sec.

1413.103 Policy.

Subpart 1413.4—Imprest Fund

1413.404 Conditions for use.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1413.1—General

§ 1413.103 Policy

Small purchases and other simplified purchase methods shall be conducted in accordance with FAR Part 13 and the Department's "Sources of Supply and Small Purchase Handbook" or equivalent bureau procedures approved by the Director, Office of Acquisition and Property Management. Copies of the Handbook may be obtained upon written request from the Office of Acquisition and Property Management, Office of the Secretary, U.S. Department of the Interior, Washington, D.C. 20240.

Subpart 1413.4—Imprest Fund

§ 1413.404 Conditions for use.

The Department of the Treasury has approved for the Department dollar limits other than those in FAR 13.404(a) for small purchase transactions using imprest funds. Imprest funds may be used for small purchases when the transaction does not exceed \$300 under normal conditions or \$500 under emergency conditions.

PART 1414—FORMAL ADVERTISING

Subpart 1414.4—Opening of Bids and Award of Contract

Sec.

1414.406 Mistakes in bid.

1414.406-3 Other mistakes disclosed before award.

1414.407 Award.

1414.407-8 Protests against award.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1414.4—Opening of Bids and Award of Contract

§ 1414.406 Mistakes in bids.

§ 1414.406-3 Other mistakes disclosed before award.

(a) The Director, Office of Acquisition and Property Management is authorized to make the administrative determinations under FAR 14.406-3, except as set forth in (b) below.

(b) If a bidder requests permission to withdraw a bid rather than correct it, and: (1) The evidence is clear and convincing as to the mistake, or (2) the evidence reasonably supports the existence of a mistake but is not clear and convincing, the head of the contracting office is authorized to make a written determination permitting the bidder to withdraw the bid after review in accordance with bureau procedures and concurrence by the appropriate Office of the Solicitor. (See FAR 14.406-3 (c) and (e).) Copies of all determinations made pursuant to this authority must be promptly transmitted to the Director, Office of Acquisition and Property Management. If the evidence of the intended bid is clear and convincing, even though the bidder has not requested permission to correct the bid, the case shall be processed in accordance with (d) below.

(c) As required by FAR 14.406-3(f), each proposed administrative determination shall have the concurrence of the Office of the Solicitor prior to submission to the Director, Office of Acquisition and Property Management.

(d) Suspected or alleged mistakes in bids shall be processed in accordance with the requirements of FAR 14.406-3(g). Except as prescribed in (b) above, the contracting officer shall submit a report together with the supporting data described in FAR 14.406-3(g)(3) through the head of the contracting activity to the Director, Office of Acquisition and Property Management. Incomplete reports may result in a delay in obtaining a determination.

(e) The Director, Office of Acquisition and Property Management is responsible for maintaining records of administrative determinations as required in FAR 14.406-3(h).

§ 1414.407 Award.

§ 1414.406-8 Protests against award.

(a) *Responsibility.* The Office of the Solicitor shall be responsible for handling bid protests lodged with the General Accounting Office (GAO). All communications relative to protests at the GAO shall be coordinated with the Assistant Solicitor for Procurement and Patents.

(b) *Determination to make award.*

(1) If a written protest before award has been lodged with the contracting activity only, the appropriate procedures of FAR 14.407-8 (a) and (b) shall be followed. Prior to making an award of a contract under the circumstances in FAR 14.407-8(b)(4), the contracting officer shall obtain the advice of the

Assistant Solicitor for Procurement and Patents.

(2) If a protest before award has been lodged directly with the GAO and the contracting officer determines in writing that it is necessary to make an award under the circumstances in FAR 14.407-8(b)(4), such determination must be submitted by the head of the contracting activity concerned to the Director, Office of Acquisition and Property Management for approval before award of the contract. The Director, Office of Acquisition and Property Management shall be responsible for coordination with GAO as required in FAR 14.407-8(b)(3).

(c) *Notice of protest.* Upon being advised by the GAO of the receipt of a protest before or after award, the Office of the Solicitor shall inform the appropriate contracting activity which shall immediately notify the contracting officer. As required by FAR 14.407-8(a)(3), the contracting officer shall then promptly notify all interested persons, including bidders (or the contractor if the protest is after award) involved in or affected by the protest, that a protest has been lodged with the GAO and the basis for the protest. A written record of such telephonic notices shall be placed in the contract file. After receiving a copy of the protest from GAO and its request for an administrative report, the Office of the Solicitor will promptly furnish the same to the contracting activity involved which shall, in turn, promptly transmit copies to the contracting officer and request a written report. The contracting officer shall promptly transmit by letter a copy of the protest to all interested persons previously notified and include a statement requiring furnishing of views and information directly to the GAO. Copies of such cover letters shall be sent concurrently to the Assistant Solicitor for Procurement and Patents. Cover letters shall contain the advice contained in FAR 14.407-8(a)(3), including instructions that any comments submitted to GAO should also be submitted to the contracting officer and the Assistant Solicitor for Procurement and Patents.

(d) *Submission of report.*

(1) All personnel shall handle protests on a priority basis. Within 25 working days after receipt by the Office of the Solicitor of the GAO's request for an administrative report, such report or a statement setting forth the reasons for delay and the expected date of submission shall be submitted to the GAO. The contracting activity shall have no more than 15 working days from receipt of the request for an administrative report from the Office of

the Solicitor to deliver such report to the Assistant Solicitor for Procurement and Patents.

(2) The administrative report responsive to the protest shall be appropriately titled and dated; shall cite the GAO file number; shall include the documents and statements required by FAR 14.407-8(a)(2), and shall be signed by the contracting officer or representative. Reports shall be prepared with the assistance of the local attorney-advisor of the Office of the Solicitor. If appropriate, the report shall contain a statement regarding any urgency for the acquisition and the extent to which a delay in award may result in significant performance difficulties or additional expense to the Government. If award is not urgent, a statement shall be included giving an estimate of the length of time an award may be delayed without significant expense or difficulty in performance. The contracting activity shall submit an original and for four complete copies of the contracting officer's report to the Assistant Solicitor for Procurement and Patents, plus one complete copy for each interested person. Contracting officers shall assure that no trade secrets or commercial or financial information which is privileged or confidential is disclosed to unauthorized parties. Transmittal letters forwarding the report to the GAO and to interested persons shall be prepared by the Office of the Solicitor. All reports to GAO shall be reviewed and signed by the Chief, Division of Acquisition and Grants, Office of Acquisition and Property Management, prior to submittal to GAO within three working days of receipt from the Office of the Solicitor.

PART 1415—CONTRACTING BY NEGOTIATION

Subpart 1415.1—General Requirements for Negotiation

Sec.

1415.106 Contract clauses.

1415.106-1 Examination of records by the Department of the Interior clause.

Subpart 1415.4—Solicitation and Receipt of Proposals and Quotations

1415.413 Disclosure and use of information before award.

1415.413-70 Department of the Interior procedures.

Subpart 1415.5—Unsolicited Proposals

1415.506 Agency Procedures.

Subpart 1415.6—Source Selection

1415.607 Disclosure of mistakes before award.

Subpart 1415.8—Price Negotiation

1415.803 General.

1415.804 Cost or pricing data.

Sec.

1415.904-3 Exceptions from or waiver of submission of certified cost or pricing data.

Subpart 1415.9—Profit

1415.902 Policy.

1415.905 Profit analysis factors.

1415.905-1 Common factors.

1415.905-70 Calculation of profit objective.

Authority: Sec. 205(c), 63 Stat. 390, 40 U.S.C. 486(c) and 5 U.S.C. 301.

Subpart 1415.1—General Requirements for Negotiation**§ 1415.106 Contract clauses.**

§ 1415.106-70 Examination of records by the Department of the Interior clause.

The contracting officer shall insert the clause at § 1452.215-70, Examination of Records by the Department of the Interior, in all contracts requiring the clause at FAR 52.215-1, Examination of Records by the Comptroller General, as prescribed in FAR 15.106-1(b).

Subpart 1415.4—Solicitation and Receipt of Proposals and Quotations

§ 1415.413 Disclosure and use of information before award.

§ 1415.413-70 Department of the Interior procedures.

(a) *General.* This section establishes alternate requirements and procedures, which shall be used instead of those prescribed in FAR 15.413, for the use and disclosure of trade secret information and confidential commercial and financial information contained in solicited proposals.

(b) *Definitions.* For the purposes of this section and the Freedom of Information Act (5 U.S.C. 552), the following terms shall have the meanings set forth below:

(1) "Trade Secret" means an unpatented, secret, commercially valuable plan, appliance, formula, or process, which is used for the making, preparing, compounding, treating or processing of articles or materials which are trade commodities.

(2)(i) "Confidential commercial or financial information" means any business information (other than trade secrets) which is exempt from the mandatory disclosure requirement of the Freedom of Information Act (5 U.S.C. 552).

(ii) Exemptions from mandatory disclosure which may be applicable to business information contained in proposals includes exemption (4), which covers "commercial and financial information obtained from a person and privileged or confidential," and exemption (9), which covers "geological and geophysical information, including

maps, concerning wells."

(c) *Marking of solicited proposals.* A solicited proposal may contain trade secrets or confidential commercial or financial information which the offeror, or its subcontractors, prefers not to be disclosed to the public or used by the Government for any purpose other than evaluation of the proposal. To notify the Government of trade secrets and confidential commercial or financial information contained in a proposal, offerors shall mark the cover page of the proposal and each affected page of the proposal with the legends specified in the solicitation provision at § 1452.215-71, Use and Disclosure of Proposal Information—Department of the Interior. Contracting officers and other government personnel evaluating a proposal shall not refuse to consider the proposal because it contains information identified as trade secret information or confidential commercial or financial information.

(d) *Use of information.* (1) Information in a proposal identified by an offeror as trade secret information or confidential commercial and financial information shall be used by the Government only for the purpose of evaluating the proposal, except that: (i) If a contract is awarded to the offeror as a result of or in connection with submission of the proposal, the Government shall have the right to use the information as provided in the contract, and (ii) if the same information is obtained from another source without restriction it may be used without restriction.

(2)(i) If a request under the Freedom of Information Act seeks access to information in a proposal identified as trade secret information or confidential commercial and financial information, full consideration will be given to offerors' view that the information constitutes trade secrets or confidential commercial or financial information.

(ii) The offeror will also be promptly notified of the request and given an opportunity to provide additional evidence and argument in support of its position, unless administratively unfeasible to do so. If it is determined that information claimed by the offeror to be trade secret information or confidential commercial or financial information is not exempt from disclosure under the Freedom of Information Act, the offeror will be notified of this determination prior to disclosure of the information.

(e) *Failure to mark.* The Government assumes no liability for the disclosure or use of information contained in a proposal if not marked in accordance with paragraph (c) of this section. If a request under the Freedom of

Information Act is made for information in a proposal not marked in accordance with paragraph (c) of this section, the offeror concerned shall be notified promptly of the request and given an opportunity to provide its position to the Government. However, failure of an offeror to mark information contained in a proposal as trade secret information or confidential commercial and financial information will be treated by the Government as evidence that the information is not exempt from disclosure under the Freedom of Information Act, absent a showing that the failure to mark was due to unusual or extenuating circumstances, such as a showing that the offeror had intended to mark, but that markings were omitted from the offeror's proposal due to clerical error.

(f) *Solicitation provision.* The provision at § 1452.215-71, Use and Disclosure of Proposal Information—Department of the Interior shall be inserted in all requests for proposals and requests for quotations.

(g) *Government handling notice.* The following Government notice shall be placed by the contracting officer on the cover page of each solicited proposal upon receipt in order to ensure proper handling. This is a Government notice for internal handling purposes and does not affect any obligations or rights the Government may have with regard to the use or disclosure of information contained in the proposal or quotation:

GOVERNMENT NOTICE FOR HANDLING PROPOSALS

This proposal shall be used and disclosed for evaluation purposes only, and a copy of this Government notice shall be applied to any reproduction or abstract thereof. Any restrictive legends used by the offeror to mark trade secrets or confidential commercial or financial information in accordance with solicitation provision, "Use and Disclosure of Proposal Information—Department of the Interior," shall also be strictly complied with.

Subpart 1415.5—Unsolicited Proposals**§ 1415.506 Agency procedures.**

Procedures for the disposition of unsolicited proposals as required by FAR 15.506 are contained in the Department's "Handbook for Submission of Unsolicited Proposals." Copies of the handbook may be obtained upon request from the Office of Acquisition and Property Management, Department of the Interior, Washington, D.C. 20240.

Subpart 1415.6—Source Selection**§ 1415.607 Disclosure of mistakes before award.**

The head of the contracting office is authorized to make the determination permitting proposal correction in accordance with the conditions in FAR 15.607(c)(3) after approval of the determination by the Office of the Solicitor has been obtained.

Subpart 1415.8—Price Negotiation**§ 1415.803 General.**

(a) Where the contractor insists on a price or demands a profit or fee that the contracting officer considers unreasonable, and the contracting officer has taken all authorized actions to resolve the matter (see FAR 15.803), the contract action shall be referred to the head of the contracting activity or designee at a level higher than the contracting officer, for final resolution.

(b) Resolution under (a) above shall be documented, signed by the head of the contracting activity or designee, and included in the contract file.

§ 1415.804 Cost or pricing data.**§ 1415.804-3 Exemptions from or waiver of submission of certified cost or pricing data.**

(a) The head of the contracting office is authorized to approve the contracting officer's finding supporting the unreasonableness of the lowest price (see FAR 15.804-3(b)(2)(iii)).

(b) The Director, Office of Acquisition and Property Management is authorized to waive the requirement for submission of certified cost or pricing data. (See FAR 15.804-3(i).)

(c) Requests for waiver under (b) above shall be submitted in writing by the head of the contracting activity and shall contain a statement as to the reasons the waiver is necessary and the efforts made to obtain the data from the contractor or prospective contractor.

Subpart 1415.9—Profit**§ 1415.902 Policy.**

(a) It is the Department's policy to use a structured approach for determining the profit or fee prenegotiation objective in acquisition actions that require cost analysis based on the profit analysis factors in FAR 15.905, as implemented and supplemented in § 1415.905.

(b) The following types of acquisitions are exempt from the requirements of the structured approach in § 1415.905, but the contracting officer shall comply with FAR 15.905-1 when analyzing profit for these contracts or actions:

(1) All actions which do not require cost analysis;

(2) Architect-engineer contracts;

(3) Construction contracts;

(4) Contracts primarily requiring delivery of material supplied by subcontractors;

(5) Termination settlements; and

(6) Cost-plus-award-fee contracts.

(c) In developing a profit or fee objective, the contracting officer shall comply with the requirements in FAR 15.903.

(d) When profit analysis is required, any amount proposed by the prospective contractor for the cost of money for facilities capital allowable under FAR 31.205-10 shall be deducted from the prenegotiation cost base objective before calculating the profit objective (see 1415.905-1(a)(5) and 1415.905-70(b)(1)).

(e) The head of the contracting activity is responsible for establishing procedures to ensure compliance with this subpart.

§ 1415.905 Profit-analysis factors.

(a) The Department uses the factors listed in FAR 15.905-1 in its structured approach. 1415.905-1 contains additional guidance on evaluating each factor and subfactor for purposes of determining a weighted profit or fee for the factor or subfactor.

(b) The Department has added another subfactor to those prescribed for contractor effort in FAR 15.905-1(a). This subfactor, "other costs," is described under § 1415.905-1(a)(5).

(c) Procedures for calculating profit or fee prenegotiation objectives are prescribed in § 1415.905-70.

(d) Form DI-1920, Structured Approach for Profit/Fee Objective—Department of the Interior (1453.215-71), shall be used to facilitate the calculation of the profit or fee objective.

§ 1415.905-1 Common factors.

The following guidance supplements the policy prescribed for profit-analysis factors in FAR 15.905-1. Weight ranges are prescribed for each factor or subfactor, as appropriate, for use in evaluating and calculating the specific weighted profit or fee objective (see 1415.905-70).

(a) *Contractor effort.* This factor measures the prospective contractor's contribution to the overall effort to meet contract performance requirements in an efficient and cost-effective manner. Considerations include the resources necessary for the prospective contractor to accomplish the conversion of labor and materials into the required contract items, the difficulty or complexity of the work to be performed, and the degree to

which the contract requires a new approach or technique to be utilized for successful performance. This factor requires an analysis of the cost content of subfactors in FAR 15.905-(a) as supplemented below, and includes an additional subfactor covering other costs. These subfactors may be modified, as necessary, to maintain consistency with cost categories used by prospective contractors. Any amount proposed for cost of money for facilities capital and allowable under FAR 31.205-10 shall be deducted from the cost base objective used for calculating the profit objective as prescribed in 1415.905-70.

(1) *Material acquisition (1 to 4%).* In evaluating the prospective contractor's managerial and technical effort under this subfactor, consideration shall also include: (i) How the purchasing and subcontracting programs will contribute to the performance of the contract, and (ii) the extent of competition to be achieved in the award of subcontracts.

(2) *Conversion of direct labor (4 to 12%).* In evaluating the contribution of direct labor, considerations include: (i) The amount of scientific or unusual or scarce engineering expertise needed in comparison to journeyman labor or supporting personnel, (ii) the diversity (or lack thereof) of scientific and engineering disciplines required for contract performance and the corresponding need for engineering supervision and coordination, (iii) the quality of professional or engineering type skills required for service contract labor in comparison to semi-professional or other type skills to be employed, and (iv) the variety and complexity of manufacturing and other types of related skills and experience required and the prospective contractor's resources for meeting these requirements.

(3) *Conversion-related indirect costs (3 to 8%).* Elements of overhead and other indirect items of expense of the prospective contractor shall be individually analyzed to determine the extent to which they directly contribute to the conversion of labor and materials into the contract items.

(4) *General management (4 to 8%).* In evaluating the prospective contractor's other indirect costs and G&A expense, consideration shall include the degree to which management problems may occur during contract performance and the management expertise which may be required to resolve them.

(5) *Other costs (1 to 3%).* This subfactor, which is not included under FAR 15.905-1, measures the contribution of all other direct costs including travel,

direct support, and hiring of consultants to contract performance. Any amount proposed for facilities capital cost of money and allowable under FAR 31.205-10 shall be subtracted from the cost objective established for this subfactor and shall not be considered in the cost base used for calculating the profit objective (see 1415.905-70(b)(1)).

(b) *Contract cost risk (0 to 7%).* This factor is measured by evaluating the cost risk in terms of the degree of cost responsibility the prospective contractor assumes, the reliability of the cost estimates in relation to type of work under the contract, and the complexity of the work to be performed. Consideration shall also be given the degree to which the prospective contractor's subcontracting program may transfer real cost risk to subcontractors.

(1) *Cost reimbursement contracts (0 to 3%).* Generally, a cost-plus-fixed-fee contract would not justify compensation for risk in excess of 0%, unless the contract contains cost risk features such as overhead ceilings where $\frac{1}{2}$ to 1% may be justified. Cost-plus-incentive fee contracts may justify weightings of 1 to 3% depending on target cost reliability, the share ratio of the fee, and whether cost incentives or multiple incentives are involved.

(2) *Fixed-price contracts (3 to 7%).* The range of weightings for fixed-price contracts is wide to accommodate the many types of fixed-price arrangements and the varying cost risks associated with these arrangements. Generally, a firm fixed-price contract for complex work involving a critical performance schedule would justify a weighting near the top of the range.

(c) *Federal socioeconomic programs (-.5 to +.5%).* This factor measures the extent of the prospective contractor's successful participation and proposed positive actions in support of Federal socioeconomic programs, including women-owned business programs. The prospective contractor's policies and procedures which display unusual initiative in support of socioeconomic programs and have achieved successful results shall be given a positive weighting. A failure or unwillingness on the part of the prospective contractor to support these programs shall be considered inadequate performance and shall result in a corresponding weighting.

(d) *Capital investments (-2 to +2%).* In evaluating investments, consideration shall include an analysis of the cost impact the facilities to be provided by the prospective contractor will have on total contract costs. If the prospective contractor furnishes its own facilities which significantly lowers the contract

cost, a positive profit weighting is justified. Government financing or furnishing of required facilities, however, shall result in a negative weighting. Consideration shall also include the frequency of payment by the Government and the impact the contract is anticipated to have on the prospective contractor's cash flow. Generally, a negative weighting shall be given for payments more frequent than monthly. For payments less frequent than monthly, a positive weighting is justified.

(e) *Cost control and other past accomplishments (-1 to +1%).* This factor measures present and previous demonstration of efficient and economic contract performance for related work by the prospective contractor. Consideration shall include quality of work, ability to meet performance and delivery schedules, productivity improvements, efficiency in cost control and reduction, accuracy and reliability of cost estimates, and compliance with contract terms and conditions. Consistent excellent performance by the prospective contractor in the areas above, in comparison with other contractors in similar circumstances, shall justify a positive weighting. Unsuccessful or poor performance shall result in a corresponding rating.

(f) *Independent development.* No weight ranges are set forth for this factor since its significance in contributing to contract performance depends on the degree the development efforts, if any, are relevant to the contract end items. Other considerations include initiative of the prospective contractor in determining the need and application of the development, the extent of the prospective contractor's cost risks in the development, and the extent of direct or indirect development cost recovery from Government sources.

§ 1415.905-70 Calculation of profit objective.

(a) Development of a profit or fee objective shall not begin until the contracting officer has:

(1) Made a thorough review of the work to be performed under the acquisition action;

(2) Collected and analyzed all available information on the prospective contractor; and

(3) Analyzed the prospective contractor's cost proposal and compared the cost elements of the proposal with the elements of the Government's cost estimate for the contract work (see FAR 15.803(b)).

(b) The contracting officer shall calculate a dollar profit amount for each of the factors and subfactors in FAR

15.905-1 and 1415.905-1 by using a percentage within the designated weight range for each factor as prescribed in § 1415.905-1. Form DI-1920, Structured Approach for Profit/Fee Objective—Department of the Interior (see 1453.215-71), shall be used to facilitate calculation of the objective in accordance with the following steps:

(1) Using the prenegotiated objective established as required in FAR 15.807, determine the Government's cost objective for each of the subfactors listed in FAR 15.905-1(a) and 1415.905-1(a). An additional subfactor, "other costs," shall be used to consider all other direct costs (see 1415.905-1(a)(5)). Subtract from the "other cost" objective any amount proposed for the cost of money for facilities capital and allowable under FAR 31.205-10, as this amount is not to be included in the cost base for calculation of the profit objective.

(2) Using the weight ranges in § 1415.905-1(a), determine a specific percentage for each subfactor and multiply this percentage by the cost objective determined for the subfactor under (1) above to calculate a weighted profit amount for each subfactor.

(3) Total the individual cost objectives for each of the subfactors in (1) above to calculate the Government's total prenegotiation objective.

(4) Using the weight ranges in § 1415.905-1(b)-(f), determine a specific percentage for each of the factors in FAR 15.905-1(b)-(f).

(5) Multiply the percentage determined for each of the factors in (4) above by the Government's total prenegotiation objective calculated in (3) above to obtain a weighted profit amount for each factor.

(6) Total the individual weighted profit amounts calculated in (2) and (5) above to obtain the total profit or fee prenegotiation objective amount.

SUBCHAPTER D—SOCIOECONOMIC PROGRAMS

PART 1419—SMALL BUSINESS AND SMALL DISADVANTAGED BUSINESS CONCERNS

Subpart 1419.2—Policies

Sec.

1419.201 General policy.

Subpart 1419.5—Set-asides for Small Business

1419.503 Setting aside a class of acquisitions.

1419.503-70 Class set-aside for construction acquisitions.

1419.505 Rejection of set-aside recommendations.

Subpart 1419.7—Subcontracting With Small Business and Small Disadvantaged Business Concerns

Sec.

1419.705 Responsibilities of the contracting officer under the subcontracting assistance program.

1419.705-70 Requesting a subcontracting plan.

Subpart 1419.8—Contracting With the Small Business Administration (the 8(a) program)

1419.810 Contract administration.

1419.810-70 Evaluation of 8(a) contractor performance.

Subpart 1419.9—Contracting Opportunities for Women-owned Business

1419.901 Policy.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1419.2—Policies

§ 1419.201 General policy.

(a) In accordance with Part 111, Chapter 8 of the Departmental Manual (111 DM 8), the Office of Small and Disadvantaged Business Utilization (OSDBU) is responsible for performing all functions and duties prescribed in FAR 19.201(c) and for:

(1) Developing and maintaining policies, procedures, regulations, and guidelines for the effective administration of the Department's small business and small disadvantaged business programs; and

(2) Providing functional direction and policy guidance to personnel in the implementation of the programs under paragraph (a)(1) above.

(b) In addition to the requirements of FAR 19.201(b), heads of contracting activities or their designees shall be responsible for:

(1) Establishment of annual goals in accordance with Subpart 1419.7; and

(2) Appointment of a full-time Business Utilization and Development Specialist (BUDS), as prescribed in FAR 19.201(d), for each contracting office where:

(i) Annual contract obligations regularly exceed \$20 million or represent a substantial part of the bureau's total contracting program; and

(ii) The number, type, and size of contract transactions provide sufficient opportunities for small business and small disadvantaged business participation.

(3) Appointment of a part-time BUDS for each contracting office where the nature of the contracting program requires such action to ensure accomplishment of annual program goals.

(c) Business Utilization and Development Specialists appointed as

prescribed in (b) above shall be responsible for:

(1) Assisting contracting officers in carrying out the policies as set forth in FAR Part 19 and Part 1419.

(2) Establishing an effective outreach program, which shall include but not be limited to:

(i) Locating new and emerging small business and small disadvantaged business concerns which have actual or potential capabilities to fulfill Interior's acquisition requirements, assuring that such firms are included on bidders mailing lists or source lists;

(ii) Advising and counseling small business and small disadvantaged business concerns on ways to increase their participation in contract and subcontract opportunities by: Explaining bid and proposal submission requirements; serving as the focal point to ensure that small business and small disadvantaged business concerns have access to appropriate acquisition, management, technical and other program and project personnel; and directing small business and small disadvantaged business concerns to the Small Business Administration or the Minority Business Development Agency (Department of Commerce) for assistance when appropriate;

(iii) Participating in the activities of local small business and disadvantaged business associations, Minority Business Opportunity Committees, and Indian tribal councils to apprise them of the contracting activity's needs and to increase small business and disadvantaged business contracting opportunities; and

(iv) Performing outreach efforts through interaction with Federal, state and local entities and other pertinent associations and groups; participating in business and economic development conferences, and providing training opportunities in support of business and economic development programs.

(3) Assisting in the acquisition process by:

(i) Assuring that the contracting office(s) or activity is kept abreast of new or revised small business and small disadvantaged business concern regulations, policies, procedures and other related information;

(ii) Assisting in the advance acquisition planning process (see Subpart 1407.1);

(iii) Reviewing each acquisition requirement over \$25,000 as well as small purchases;

(iv) Participating in proposal evaluation activities (when appropriate or when requested by the contracting

officer);

(v) When appropriate, attending briefings to unsuccessful small business and small disadvantaged business concerns; and

(vi) Assuring that a fair proportion of eligible small business and small disadvantaged business concerns are included on solicitation mailing lists and source lists.

(4) Maintaining all records and files necessary to demonstrate maximum support for the program; assuring compilation of current, accurate, and complete data, preparing all reports pertaining to small business and small disadvantaged business activities.

Subpart 1419.5—Set-asides for Small Business

§ 1419.503 Setting aside a class of acquisitions.

§ 1419.503-70 Class Set-aside for construction acquisitions.

(a) To assure that a fair portion of the Department's contracts are placed with small business concerns, all acquisitions for construction (as defined in FAR 36.102) estimated to cost \$1 million or less shall be set aside on a class basis for exclusive participation by small business concerns except where small purchase procedures are used to accomplish the acquisition or when the acquisition involves emergency repair work. If the construction site is located in a labor surplus area, the acquisition shall be set aside for the exclusive participation of small businesses located in labor surplus areas (see FAR 19.504(a)). Any modification of this policy by the contracting officer shall be conducted in accordance with FAR 19.506.

(b) All acquisitions for construction estimated to cost in excess of \$1 million shall be set aside on a case-by-case basis for exclusive participation of small business concerns or small business concerns located in labor surplus areas under the conditions in FAR 19.502-2 and 20.201-1.

§ 1419.505 Rejection of set-aside recommendations.

(a) As prescribed in FAR 19.505, the Assistant Secretary—Policy, Budget and Administration is authorized to reply to the Administrator of SBA on any SBA appeal of a contracting officer's set-aside recommendation.

(b) A written justification in support of the contracting officer's decision to reject the set-aside recommendation shall be approved by the head of the contracting activity (or designee). It shall then be forwarded for sequential

review through the Director, Office of Small and Disadvantaged Business Utilization and the Director, Office of Acquisition and Property Management, for action by the Assistant Secretary—Policy, Budget and Administration.

Subpart 1419.7—Subcontracting with Small Business and Small Disadvantaged Business Concerns

§ 1419.705 Responsibilities of the contracting officer under the subcontracting assistance program.

§ 1419.705-70 Requesting a subcontracting plan.

When a subcontracting plan is requested, the contracting officer shall:

(a) Send the offeror or bidder a request for the plan and include a copy of a sample subcontracting plan outline (see 1453.219-71).

(b) Specify a time limit for submission of the plan.

Subpart 1419.8—Contracting with the Small Business Administration (the 8(a) program)

§ 1419.810 Contract administration.

§ 1419.810-70 Evaluation of 8(a) contractor performance.

(a) It is the policy of the Department to require evaluation of SBA 8(a) contractor performance by the contracting activity using form DI-1919, Performance Evaluation (8(a)). (See 1453.219-72.)

(b) The report shall be prepared at the time of final acceptance of the work or after contract termination. Ordinarily, the evaluating official who prepares the report should be the person responsible for monitoring contract performance. The authorized representative of the contracting officer shall provide timely evaluation of the SBA 8(a) contractor's performance.

(c) If the evaluating official concludes that the contractor's overall performance was poor or unsatisfactory, the contractor shall be advised in writing that a report of this performance is being proposed and the basis for the evaluation. If the contractor submits any comments, the evaluating official shall include them in the report, resolve any alleged factual discrepancies, and make appropriate changes in the report.

(d) Each performance report shall be filed in accordance with bureau procedures and a copy of the report shall be promptly forwarded to the Office of Small and Disadvantaged Business Utilization.

Subpart 1419.9—Contracting Opportunities for Women-owned Business

§ 1419.901 Policy.

(a) The Office of Small and Disadvantaged Business Utilization is responsible for carrying out the Department's women-owned business enterprise program in accordance with Part 111, Chapter 8 of the Departmental Manual (111 DM 8).

(b) Annual goals for contract awards to women-owned businesses shall be established as prescribed in 1419.202-70.

(c) Small women-owned businesses shall be considered for subcontracting opportunities under FAR 19.702 and subcontract awards shall be reported as prescribed in FAR 19.704.

PART 1420—LABOR SURPLUS AREA CONCERNS

Subpart 1420.1—General

Sec.

1420.102 General policy.

Subpart 1420.2—Set-asides

1420.201 Set-asides for labor surplus area concerns.

1420.201-70 Set-asides for construction acquisitions.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1420.1—General

§ 1420.102 General policy.

As prescribed under Part 111, Chapter 8 of the Departmental Manual (111 DM 8), the Office of Small and Disadvantaged Business Utilization is responsible for carrying out the Department's labor surplus area program in accordance with the policies in FAR Part 20.

Subpart 1420.2—Set-asides

§ 1420.201 Set-asides for labor surplus area concerns.

§ 1420.201-70 Set-asides for construction acquisitions.

(a) As prescribed in § 1419.503-70, all acquisitions for construction, alteration, or repair of buildings, structures, or other real property which are estimated to cost \$1 million or less shall be set aside on a class basis for combined small business, labor surplus area concerns when the construction site is located in a labor surplus area.

(b) Construction acquisitions estimated to exceed \$1 million in cost may be set aside for labor surplus area concerns by the contracting officer under the conditions prescribed in FAR 20.201-1.

PART 1424—PROTECTION OF PRIVACY AND FREEDOM OF INFORMATION

Subpart 1424.1—Protection of Individual Privacy

Sec.

1424.102 General.

1424.103 Procedures.

1424.104 Contract clauses.

Subpart 1424.2—Freedom of Information Act

1424.202 Policy.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1424.1—Protection of Individual Privacy

§ 1424.102 General.

Procedures for implementing the Privacy Act of 1974 and Departmental regulations under 43 CFR Part 2, Subpart D, are contained in Part 317 of the Departmental Manual (317 DM).

§ 1424.103 Procedures.

When required by FAR 24.103(b)(2), the contracting officer shall provide the contractor with a copy of the Department's Privacy Act regulations codified in 43 CFR Part 2, Subpart D.

§ 1424.104 Contract clauses.

The clause at FAR 52.224-1, Privacy Act Notification, as prescribed in FAR 24.104(a), shall be supplemented in accordance with § 1452.224-1.

Subpart 1424.2—Freedom of Information Act

§ 1424.202 Policy.

(a) The Department's implementation of the Freedom of Information Act is codified in regulations under 43 CFR 2.11 through 2.20.

(b) It is the policy of the Department to alert prospective contractors which place restrictions on the disclosure and use of proposal data that certain data may be subject to disclosure under a Freedom of Information Act request. (See 1415.413 and 1452.215-71.)

PART 1425—FOREIGN ACQUISITION

Subpart 1425.2—Buy American Act—Construction Materials

Sec.

1425.202 Policy.

1425.203 Evaluating offers.

1425.204 Violations.

1425.205 Solicitation provision.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1425.2—Buy American Act—Construction Materials

1425.202 Policy.

(a) The Assistant Secretary—Policy, Budget and Administration shall make the determinations prescribed in FAR 25.202(a)(2) and FAR 25.203(a).

(b) The Director, Office of Acquisition and Property Management shall make the determination prescribed in FAR 25.202(a)(3) in accordance with the procedures in § 1425.108.

(c) Determinations under (a) above shall be prepared by the contracting officer and submitted by the head of the contracting activity to the Director, Office of Acquisition and Property Management for further action.

(d) Determinations approved under FAR 25.202(a)(2) shall require listing of excepted material in the contract as prescribed in FAR 25.202(c).

§ 1425.203 Evaluating offers.

(a) Unless the Assistant Secretary—Policy, Budget and Administration determines otherwise, when the cost of a comparable domestic construction material exceeds by more than 6 percent the cost of a foreign construction material proposed in an offer, use of the domestic construction material would unreasonably increase the cost of the contract and use of the foreign construction material is authorized and acceptable. This evaluation shall be made for each foreign construction material proposed in an offer and not specifically excepted by the solicitation. The cost of construction material shall be computed to include all delivery costs to the construction site, and the cost of foreign construction material shall also include any applicable duty (whether or not a duty-free entry certificate may be issued).

(b) The provision at § 1425.225-70, Buy American Act Notice—Department of the Interior, requires offerors proposing to use foreign construction materials to provide adequate information for Government evaluation under (a) above, and permits alternate offers for comparable domestic construction materials at stated prices. When a foreign construction material is not authorized under (a) above, evaluation of the offer shall be made on the basis of the stated price for comparable domestic construction material. If the offer does not state a price for comparable domestic construction material, and use of the foreign construction material is not authorized under (a) above, the offer shall be rejected.

(c) The acceptable offer that remains low after adding (for evaluating

purposes only) 6 percent of the cost of all foreign construction materials authorized for use under (a) above shall be considered the successful offer. The contract awarded under these circumstances shall contain a list of the authorized foreign construction materials as required by FAR 25.202(c) and the clause at FAR 52.225-5, Buy American Act—Construction Materials.

(d) Determinations for authorization to use evaluation methods other than those prescribed in this section shall be prepared by the contracting officer and submitted by the head of the contracting activity to the Director, Office of Acquisition and Property Management for further action. The determination shall specify particular domestic construction materials which are expected to unreasonably increase the cost or are impracticable, and the percentage differential to be used in evaluating such materials. If the determination is approved, the Director, Office of Acquisition and Property Management shall authorize appropriate revisions to the provision at 1452.225-70.

§ 1425.204 Violations.

Failure of the contractor to comply with the clause at FAR 52.225-5, Buy American Act—Construction Materials, shall be documented in a report by the contracting officer and submitted to the head of the contracting activity for initiation of debarment action in accordance with Subpart 1409.4.

§ 1425.205 Solicitation provision.

In addition to the requirements of FAR 25.205, the contracting officer shall insert the provision at § 1452.225-70, Buy American Act Notice—Department of the Interior, in solicitations for construction inside the United States. For determinations made under FAR 25.202(a)(2) that use of a domestic construction material would be impracticable (see § 1452.202), the material shall be listed under paragraph (a) of the provision at § 1452.225-70.

SUBCHAPTER E—GENERAL CONTRACTING REQUIREMENTS

PART 1428—BONDS AND INSURANCE

Subpart 1428.1—Bonds

Sec.

1428.101 Bid guarantees.

1428.101-70 Annual bid bonds.

1428.104 Annual performance bonds.

Subpart 1428.3—Insurance

1428.301 Policy.

1428.306 Insurance under fixed-price contracts.

1428.306-70 Insurance for aircraft service contracts.

Sec.

1428.311 Solicitation provision and contract clause on air liability insurance under cost-reimbursement contracts.

1428.311-2 Contract clause.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1428.1—Bonds

§ 1428.101 Bid guarantees.

§ 1428.101-70 Annual bid bonds.

(a) Bidders shall submit annual bid bonds to the Office of Acquisition and Property Management, Office of the Secretary, U.S. Department of the Interior, Washington, D.C. 20240.

(b) The Office of Acquisition and Property Management will maintain and disseminate all information regarding annual bid bonds.

§ 1428.104 Annual performance bonds.

Annual performance bonds shall be submitted to the location prescribed in § 1428.101-70.

Subpart 1428.3—Insurance

§ 1428.301 Policy.

It is the policy of the Department of the Interior to insure its own risks only when such action is in the best interest of the Government. Circumstances where contractors are required to carry insurance are listed under FAR 28.301 and FAR 28.306. In these circumstances, the clause at § 1452.338-70, Indemnification—Department of the Interior, shall be inserted in the contract.

§ 1428.306 Insurance under fixed-price contracts.

§ 1428.306-70 Insurance for aircraft services contracts.

(a) *Policy.* In accordance with FAR 28.306(a), it is the policy of the Department of the Interior to establish minimum insurance requirements for certain types of aircraft services contracts in order to protect the Government and its contractors.

(b) *Applicability.* The clauses prescribed by paragraph (c) of this section are applicable to all fixed-price contracts involving use of aircraft with either contractor-furnished or Government-furnished pilot except for one-time charters when Government exposure is minimal and time limitations are present.

(c) *Clauses.* The following clauses shall be used as prescribed:

(1) The contracting officer shall insert the clause at § 1452.228-71, Risk and Indemnities—Department of the Interior, in all fixed price contracts for operation of aircraft with contractor-furnished pilot.

(2) The contracting officer shall insert the clause to § 1452.228-72, Liability for Loss or Damage—Department of the Interior, in all fixed-price contracts involving the use of aircraft with Government-furnished pilot where the Government does not have a property interest in the aircraft.

(3) The contracting officer shall insert the clause to § 1452.288-73, Liability for Loss or Damage—Department of the Interior, (Property Interest), in all fixed-price contracts involving the use of aircraft with Government-furnished pilot where the Government has a property interest in the aircraft (e.g., lease with purchase option).

§ 1428.311 Solicitation provision and contract clause of liability insurance under cost-reimbursement contracts.

§ 1428.311-2 Contract clause.

The clause a FAR 52.228-7, Insurance—Liability to Third Persons, as prescribed in FAR 28.311-2, shall be modified for use in accordance with the instructions in § 1452.228-7.

PART 1432—CONTRACT FINANCING

Subpart 1432.3—Loan Guarantees for Defense Production

Sec.

1432.304 Procedures.

1432.304-2 Certificate of eligibility.

Subpart 1432.4—Advance Payments

1432.402 General.

1432.404 Exclusions.

Subpart 1432.8—Assignment of Claims

1432.805 Procedure.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1432-3—Loan Guarantees for Defense Production

§ 1432.304 Procedures.

§ 1432.304-2 Certificate of eligibility.

(a) The Assistant Secretary—Policy, Budget and Administration shall authorize guaranteed loan applications and transmit them to the Federal Reserve Bank as prescribed in FAR 32.304-2(h).

(b) Applications for loan guarantees (see FAR 32.304-1) and the contracting officer's certificate of eligibility (see FAR 32.304-2) shall be submitted by the head of the contracting activity to the Director, Office of Acquisition and Property Management for further action under (a) above.

Subpart 1432.4—Advance Payments

§ 1432.402 General.

(a) Except for contracts excluded under (b) below and under 1432.404, the

Chief, Division of Acquisition and Grants, Office of Acquisition and Property Management, is authorized to approve findings and determinations and contract terms for advance payments as prescribed in FAR Subpart 32.4.

(b) The Assistant Secretary for Indian Affairs is authorized to approve findings and determinations and contract terms for advance payments as prescribed in FAR Subpart 32.4 for:

(1) Contracts with States or similar public bodies for foster home care of Indian children for periods not in excess of 90 days;

(2) Contracts with state universities or similar public bodies for surveys of physical resources and the development of studies of social and economic factors affecting Indian tribes without specific security for periods not in excess of 90 days; or

(3) Contracts with Indian tribal contractors which are totally Indian-owned and controlled nonprofit businesses and which qualify for contracts with the Bureau of Indian Affairs. The amount of the advance payments authorized shall not exceed \$250,000.

(c) The contracting officer shall review and analyze the contractor's application for advance payments to determine if it meets the information requirements of FAR 32.408. Applications which do not contain the required information shall not be processed until it is obtained from the contractor.

(d) The contracting officer shall submit a recommendation for approval or disapproval of the contractor's request through the head of the bureau finance office (see FAR 32.402(e)(2)) to the head of the contracting activity for transmittal to the Chief, Division of Acquisition and Grants under (a) above. Recommendations which do not contain the information required by FAR 32.409-1 or FAR 32.409-2 will not be processed by the Division of Acquisition and Grants.

(e) The Assistant Secretary for Indian Affairs is required to make a detailed report to the Assistant Secretary—Policy, Budget and Administration on all advance payments authorized under (b)(1) and (b)(2) above at the close of each fiscal year.

§ 1432.404 Exclusions.

Advance payments may be used under the Bureau of Indian Affairs service contracts (including services which may extend beyond the current fiscal year) made pursuant to the Act of June 4, 1936 (25 U.S.C. 452), the Act of August 3, 1956 (25 U.S.C. 309), and

statutes terminating Government supervision over certain Indian tribes, without regard to FAR 32.402(e), when the current Department Appropriations Act authorizes and requires advance payments in these circumstances.

Subpart 1432.8—Assignment of Claims

§ 1432.805 Procedure.

Department of the Interior form DI-83, Notice of Assignment, and form DI-84, Instrument of Assignment, shall be used by an assignee when complying with the requirements in FAR 32.803(e). (See 1453.232-70.)

PART 1433—DISPUTES AND APPEALS

Sec.

1433.003 Applicability.

1433.003-70 Interior Board of Contract Appeals.

1433.011 Contracting officer's decision.

1433.012 Contracting officer's duties upon appeal.

1433.014 Contract clause.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

§ 1433.003 Applicability.

(a) The Assistant Secretary—Policy, Budget and Administration shall make the determination prescribed under FAR 33.003(b).

(b) Determinations under (a) above shall be submitted by the head of the contracting activity to the Director, Office of Acquisition and Property Management for further action.

§ 1433.003-70 Interior Board of Contract Appeals.

(a) The Interior Board of Contract Appeals, IBCA, is authorized by the Secretary to consider and determine appeals from decisions of a contracting officer arising under a contract or relating to a contract made by the Department or any other executive agency when such agency or the Administrator of the Office of Federal Procurement Policy has duly designated the IBCA to decide the appeal.

(b) The address of the IBCA is 4015 Wilson Boulevard, Arlington, Virginia 22203.

(c) The IBCA rules of procedure are in 43 CFR Part 4, Subpart C.

§ 1433.011 Contracting officer's decision.

The written decision required by FAR 33.011(a)(4) shall include, in the paragraph listed under FAR 33.011(a)(4)(v), specific reference to the Interior Board of Contract Appeals (IBCA), 4015 Wilson Boulevard, Arlington, Virginia, 22203 and its procedures under 43 CFR Part 4. The IBCA optional small claims (expedited)

procedures and accelerated procedures under 43 CFR 4.113 shall also be referenced as required by FAR.

§ 1433.012 Contracting officer's duties upon appeal.

(a) When a notice of appeal has been received, the contracting officer shall endorse on the appeal the date of mailing (or the date of receipt if the notice was not mailed) and forward it to the IBCA by certified mail within 5 days of receipt. The Office of the Solicitor shall also be notified of the appeal by the contracting officer. (See 43 CFR 4.103.)

(b) The contracting officer shall prepare and transmit the data, documentation, and information required by 43 CFR 4.104 in the form of an appeal file to the IBCA, appropriate office of the Solicitor, and appellant or appellant's counsel within 30 days after receipt of a notice of appeal or advice that an appeal has been docketed by the IBCA.

§ 1433.014 Contract clause.

The Disputes clause contained in FAR 52.233-1 shall be used with its Alternate I in all solicitations and contracts of the Department.

SUBCHAPTER F—SPECIAL CATEGORIES OF CONTRACTING

PART 1436—CONSTRUCTION AND ARCHITECT-ENGINEERING CONTRACTS

Subpart 1436.2—Special Aspects of Contracting for Construction

Sec.

1436.209 Construction contracts with architect-engineer firms.

Subpart 1436.5—Contract Clauses

1436.570 Prohibition against use of lead-based paint.

Subpart 1436.6—Architect-Engineer Services

1436.602 Selection of firms for architect-engineer contracts.

1436.602-1 Selection criteria.

1436.602-4 Selection authority.

1436.602-5 Short selection processes for contracts not to exceed \$10,000.

1436.603 Collecting data on and appraising firm's qualifications.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1436.2—Special Aspects of Contracting for Construction

§ 1436.209 Construction contracts with architect-engineer firms.

(a) As required by FAR 36.209, no contract for construction of a project shall be awarded to the firm that designed the project or its subsidiaries or affiliates without the written approval

of the Director, Office of Acquisition and Property Management.

(b) Requests for approval under (a) above shall be made by the head of the contracting activity, through the appropriate Office of the Solicitor, to the Director, Office of Acquisition and Property Management. The request shall include the reason(s) why award to the design firm is required; an analysis of the facts involving potential or actual organizational conflicts of interest including benefits and detriments to the Government and the prospective contractor; and the measures which are to be taken to avoid, neutralize, or mitigate conflicts of interest.

Subpart 1436.5—Contract Clauses.

§ 1436.570 Prohibition against use of lead-based paint.

(a) *Policy.* The Lead-Based Paint Poisoning Prevention Act, (42 U.S.C. 4831), as amended by the National Consumer Health Information and Health Promotion Act of 1976 (Sec. 204, Pub. L. 94-317 (42 U.S.C. 4831)), prohibits the use of lead-based paint in Federal or federally-assisted construction or rehabilitation of residential structures. Implementing regulations of the Secretary of Housing and Urban Development under 24 CFR Part 35 requires agencies to include appropriate provisions in contracts or subcontracts for construction or rehabilitation of residential structures.

(b) *Definitions.* As used in this section, "residential structure" means any house, apartment, or structure intended for human habitation including any institutional structure where persons reside such as an orphanage, boarding school dormitory, day care center, or extended care facility.

(c) *Procedures.* The contracting officer shall insert the clause at § 1452.236-70, Prohibition Against Use of Lead-Based Paint, in solicitations and contracts when construction of residential structures or rehabilitation (including dismantling, demolition, or removal) of residential structures is contemplated.

Subpart 1436.6—Architect-Engineer Services

§ 1436.602 Selection of firms for architect-engineer contracts.

§ 1436.602-1 Selection criteria.

(a) In addition to the selection criteria under FAR 36.602-1(a), the following additional criteria shall be used in the evaluation of each potential contractor when applicable to a particular acquisition:

(1) Computer assisted design capability and capacity (where such design is required.)

(2) Adequacy of facilities for performance of the work including those necessary to provide specialized services that may be required.

(3) Volume and nature of present workload as it relates to the ability to perform the work required.

(4) Experience and qualifications of proposed key personnel including specialized technical skills, project coordination and management skills, and experience in working together as a team.

(5) Availability of additional contractor personnel or consultants to support expansion or acceleration of the project.

(6) Other specific criterion as may be required.

(b) Heads of contracting activities are authorized to approve the use of design competition under the conditions in FAR 36.602-1(b).

§ 1436.602-4 Selection authority.

The head of the contracting activity is authorized to serve as the designated selection authority in accordance with FAR 36.602-4.

§ 1436.602-5 Short selection processes for contracts not to exceed \$10,000.

The selection process prescribed in FAR 36.602-5(a) shall be used for architect-engineer contracts not expected to exceed \$10,000.

1436.603 Collecting data on and appraising firms' qualifications.

(a) Heads of contracting activities which require architect-engineer services shall establish procedures to comply with the requirements of FAR 36.603.

(b) Copies of procedures established under (a) above shall be submitted to the Director, Office of Acquisition and Property Management for review and approval. The procedures shall include a list of names, addresses, and phone numbers of offices or boards assigned to maintain architect-engineer qualification data files. The list shall be updated annually and submitted to the Director, Office of Acquisition and Property Management no later than 30 days after the beginning of each fiscal year.

PART 1437—SERVICE CONTRACTING

Subpart 1437.70—Appraisal Services (Real Property)

Sec.

1437.7000 Scope of subpart.

1437.7001 Policy.

Sec.

1437.7002 Contractor qualification requirements.

1437.7003 Appraisal standards.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1437.70—Appraisal Services (Real Property)

§ 1437.7000 Scope of subpart.

This subpart prescribes policies and procedures for acquiring real property appraisal services by contract.

§ 1437.7001 Policy.

Real property appraisal services shall be acquired by negotiation under the authority in FAR 15.204. The procedures for acquiring architect-engineer services, as prescribed in FAR Subpart 36.6, shall not be used to acquire real property appraisal services.

§ 1437.7002 Contractor qualification requirements.

(a) If it is anticipated that a real property appraisal to be acquired by contract may be subject to future court action, the contractor shall be a qualified appraiser as listed in the file maintained by the Land and Natural Resources Division, U.S. Department of Justice. This requirement shall be treated as a special standard of responsibility (see FAR 9.104-2).

(b) The contracting officer shall include the requirements of (a) above in all solicitations for real property appraisal services which may be subject to future court action.

§ 1437.7003 Appraisal standards.

(a) All real property appraisals made under a contract shall conform to the requirements of the Interagency Land Acquisition Conference publication "Uniform Appraisal Standards for Federal Land Acquisitions" published by the Government Printing Office.

(b) The standards in (a) above shall be made a part of all solicitations and resulting contracts for real property appraisal services.

SUBCHAPTER G—CONTRACT MANAGEMENT

PART 1442—CONTRACT ADMINISTRATION

Subpart 1442.12—Novation and Change-of-Name Agreements

Sec.

1442.1204 Agreement to recognize a successor in interest (novation agreement).

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

Subpart 1442.12—Novation and Change-of-Name Agreements

§ 1442.1204 Agreements to recognize a successor in interest (novation agreement).

For protection of Government rights in accrual of inventions, patents and data, the novation agreement format prescribed in FAR 42.1204(e) shall be supplemented by adding the following item (10) under section (b) of the agreement:

(10) The transferor agrees that any rights in inventions, patents, and data which accrue to the Government or to third party beneficiaries under the contracts between the transferor and the Government shall not be diminished as a result of the transfer instruments or this agreement.

SUBCHAPTER H—CLAUSES AND FORMS

PART 1452—SOLICITATION PROVISIONS AND CONTRACT CLAUSES

Sec.

1452.000 Scope of part.

Subpart 1452.2—Texts of Provisions and Clauses

1452.200 Scope of subpart.

1452.204-70 Release of claims.

1452.204-71 Indian preference.

1452.204-72 Indian preference program.

1452.210-70 Brand name or equal.

1452.215-70 Examination of records by the Department of the Interior.

1452.215-71 Use and disclosure of proposal information.

1452.224-1 Privacy Act notification.

1452.225-70 Buy American Act notice.

1452.228-7 Insurance—liability to third persons.

1452.228-70 Indemnification.

1452.228-71 Risk and indemnities.

1452.228-72 Liability for loss or damage.

1452.228-73 Liability for loss or damage (property interest).

1452.236-70 Prohibition against use of lead-based paint.

1452.237-70 Information collection.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

§ 1452.000 Scope of part.

This part prescribes Department of the Interior provisions and clauses for use in acquisition.

Subpart 1452.2—Texts of Provisions and Clauses

§ 1452.200 Scope of subpart.

This subpart sets forth the texts of all DIAR provisions and clauses. Consistent with the numbering scheme prescribed in FAR 52.101 and the approach used in FAR Subpart 52.2, this subpart is arranged by subject matter, in the same order as, and keyed to, the parts of the DIAR in which provisions and clause requirements are addressed.

§ 1452.204-70 Release of Claims.

As prescribed in 1404.804-70, insert the following clause in all construction contracts which exceed \$25,000 and in all cost-reimbursement contracts which exceed \$25,000.

RELEASE OF CLAIMS—DEPARTMENT OF THE INTERIOR (APR. 1984)

After completion of work and prior to final payment, the contractor shall furnish to the contracting officer a release of claims (DI-137) against the United States relating to this contract, other than claims excepted from the operation of the release.

[End of Clause]

§ 1452.204-71 Indian Preference.

As prescribed in 1404.7003(a), insert the following clause in solicitations issued and contracts awarded: (a) By the Bureau of Indian Affairs except those pursuant to Title I and to Indian Tribes and Indian Organizations under Title II of Pub. L. 93-638 (25 U.S.C. 450 et seq. and 25 U.S.C. 455 et seq., respectively); (b) a contracting activity other than the Bureau of Indian Affairs when the contract is entered into pursuant to an act specifically authorizing contracts with Indian organizations; and (c) a contracting activity other than the Bureau of Indian Affairs when the work to be performed is specifically for the benefit of Indians and is in addition to any incidental benefits which might otherwise accrue to the general public.

INDIAN PREFERENCE—DEPARTMENT OF THE INTERIOR (APR. 1984)

(a) The Contractor agrees to give preferences to Indians who can perform the work required regardless of age (subject to existing laws and regulations), sex, religion, or tribal affiliation for training and employment opportunities under this contract and, to the extent feasible consistent with the efficient performance of this contract, training and employment preferences and opportunities shall be provided to Indians regardless of age (subject to existing laws and regulations), sex, religion, or tribal affiliation who are not fully qualified to perform under this contract. The Contractor also agrees to give preference to Indian organizations and Indian-owned economic enterprises in the awarding of any subcontracts consistent with the efficient performance of this contract. The Contractor shall maintain such records as are necessary to indicate compliance with this paragraph.

(b) In connection with the Indian employment preference requirements of this clause, the Contractor shall also provide opportunities for training incident to such employment. Such training shall include on-the-job, classroom, or apprenticeship training which is designed to increase the vocational effectiveness of an Indian employee.

(c) If the Contractor is unable to fill its training and employment needs after giving full consideration to Indians as required by

this clause, those needs may be satisfied by selection of persons other than Indians in accordance with the clause of this contract entitled "Equal Opportunity."

(d) If no Indian organizations or Indian-owned economic enterprises are available for awarding of subcontracts in connection with the work performed under this contract, the contractor agrees to comply with the provisions of this contract involving utilization of small business concerns, small business concerns owned and controlled by socially and economically disadvantaged individuals, or labor surplus are concerns.

(e) As used in this clause:

(1) "Indian" means a person who is a member of an Indian Tribe. If the Contractor has reason to doubt that a person seeking employment preference is an Indian, the Contractor shall grant the preference but shall require the individual within thirty (30) days to provide evidence from the Tribe concerned that the person is a member of that Tribe.

(2) "Indian Tribe" means an Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (85 Stat. 668; 43 U.S.C. 1601) which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(3) "Indian organization" means the governing body of any Indian Tribe or entity established or recognized by such governing body in accordance with the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451); and

(4) "Indian-owned economic enterprise" means any Indian-owned commercial, industrial, or business activity established or organized for the purpose of profit provided that such Indian ownership shall constitute not less than 51 percent of the enterprise.

(f) The Contractor agrees to include the provisions of the clause including this paragraph (f) in each subcontract awarded under this contract.

(g) In the event of noncompliance with this clause, the Contractor's right to proceed may be terminated in whole or in part by the Contracting Officer and the work completed in a manner determined by the Contracting Officer to be in the best interests of the Government.

[End of clause]

§ 1452.204-72 Indian Preference Program.

As prescribed in 1404.7003(b), insert the following clause in all solicitations and contracts, awarded by the contracting activity which may exceed \$50,000, and which contain the clause at 1452.204-71, and where it is determined by the Contracting Officer, prior to solicitation, that the work under the contract will be performed in whole or in part on or near an Indian reservation(s). The clause may also be included in solicitations issued and contracts awarded by a contracting activity which may not exceed \$50,000 but which contain the clause at

§ 1452.204-71 and which, in the opinion of the contracting officer, offer substantial opportunities for Indian employment, training, and subcontracting.

INDIAN PREFERENCE PROGRAM— DEPARTMENT OF THE INTERIOR (APR. 1984)

(a) In addition to the requirements of the clause of this contract entitled "Indian Preference—Department of the Interior," the Contractor agrees to establish and conduct an Indian preference program which will expand the opportunities for Indian organizations and Indian-owned economic enterprises to receive a preference in the awarding of subcontracts and which will expand opportunities for Indians to receive preference for training and employment in connection with the work to be performed under this contract. In this connection, the contractor shall:

(1) Designate a liaison officer who will: (i) Maintain liaison with the Government and Tribe(s) on Indian preference matters; (ii) supervise compliance with the provisions of this clause; and (iii) administer the Contractor's Indian preference program.

(2) Advise its recruitment sources in writing and include a statement in all advertisements for employment that Indian applicants will be given preference in employment and training incident to such employment.

(3) Not less than twenty (20) calendar days prior to commencement of work under this contract, post a written notice in the Tribal office of any reservations on which or near where the work under this contract is to be performed, which sets forth the Contractor's employment needs and related training opportunities. The notice shall include the approximate number and types of employees needed, the approximate dates of employment; the experience or special skills required for employment, if any; training opportunities available; and all other pertinent information necessary to advise prospective employees of any other employment requirements. The Contractor shall also request the Tribe(s) on or near whose reservation(s) the work is to be performed to provide assistance to the Contractor in filling its employment needs and training opportunities. The Contracting Officer will advise the Contractor of the name, location, and phone number of the Tribal officials to contact in regard to the posting of notices and requests for Tribal assistance.

(4) Establish and conduct a subcontracting program which gives preference to Indian organizations and Indian-owned economic enterprises as subcontractors and suppliers under this contract. Consistent with the efficient performance of this contract, the Contractor shall give public notice of existing subcontracting opportunities by soliciting bids or proposals only from Indian organizations or Indian-owned economic enterprises. The Contractor shall request assistance and information on Indian firms qualified as suppliers or subcontractors from the Tribe(s) on or near whose reservation(s) the work under the contract is to be

performed. The Contracting Officer will advise the Contractor of the name, location, and phone number of the Tribal officials to be contacted in regard to the request for assistance and information. Public notices and solicitations for existing subcontracting opportunities shall provide an equitable opportunity for Indian firms to submit bids or proposals by including: (i) A clear description of the supplies or services required including quantities, specifications, and delivery schedules which facilitate the participation of Indian firms; (ii) a statement indicating the preference will be given to Indian organizations and Indian-owned economic enterprises in accordance with Section 7(b) of Pub. L. 93-638; (88 Stat. 2205; 25 U.S.C. 450e(b)); (iii) definitions for the terms "Indian organization" and "Indian-owned economic enterprise" as prescribed under the "Indian Preference—Department of the Interior" clause of this contract; (iv) a representation to be completed by the bidder or offeror that it is an Indian organization or Indian-owned economic enterprise; and (v) a closing date for receipt of bids or proposals which provides sufficient time for preparation and submission of a bid or proposal. If after soliciting bids from Indian organizations and Indian-owned economic enterprises, no responsive bid is received, the Contractor shall comply with the requirements of paragraph (d) of the "Indian Preference—Department of the Interior" clause of this contract. If one or more responsive bids are received, award shall be made to the low responsible bidder if the bid price is determined to be reasonable. If the low responsive bid is determined to be unreasonable as to price, the Contractor shall attempt to negotiate a reasonable price and award a subcontract. If a reasonable price cannot be agreed upon, the Contractor shall comply with the requirements of paragraph (d) of the "Indian Preference—Department of the Interior" clause of the contract.

(5) Maintain written records under this contract which indicate: (1) The names and addresses of all Indians seeking employment for each employment position available under this contract; (ii) the number of types of positions filled by: (A) Indians, and (B) non-Indians, and the name, address and position of each Indian employed under this contract; (iii) for those positions where there are both Indian and non-Indian applicants, and a non-Indian is selected for employment, the reason(s) why the Indian applicant was not selected; (iv) actions taken to give preference to Indian organizations and Indian-owned economic enterprises for subcontracting opportunities which exist under this contract; (v) reasons why preference was not given to Indian firms as subcontractors or suppliers for each requirement where it was determined by the Contractor that such preference would not be consistent with the efficient performance of the contract; and (vi) the names and addresses of all Indian organizations and Indian-owned economic enterprises: (A) Contacted, and (B) receiving subcontract awards under this contract.

(6) The Contractor shall submit to the Contracting Officer for approval a semiannual report which summarizes the

Contractor's Indian preference program and indicates (i) the number and types of available positions filled and dollar amounts of all subcontracts awarded to (a) Indian organizations and Indian-owned economic enterprises and (b) all other firms.

(7) Records maintained pursuant to this clause will be kept available for review by the Government until expiration of one (1) year after final payment under this contract, or for such longer period as may be required by any other clause of this contract or by applicable law or regulation.

(b) For purpose of this clause, the following definitions of terms shall apply:

(1) The terms "Indian," "Indian Tribe," "Indian Organization," and "Indian-owned economic enterprise" are defined in the clause of this contract entitled "Indian Preference."

(2) "Indian reservation" includes Indian reservation, public domain Indian allotments, former Indian reservations in Oklahoma, and land held by incorporated Native groups, regional corporations, and village corporations under the provisions of the Alaska Native Claims Settlement Act (85 Stat. 688; 43 U.S.C. 1601 et seq.).

(3) "On or near an Indian Reservation" means on a reservation or reservations or within that area surrounding an Indian reservation(s) where a person seeking employment could reasonably be expected to commute to and from in the course of a work day.

(c) Nothing in the requirements of this clause shall be interpreted to preclude Indian Tribes from independently developing and enforcing their own Indian preference requirements. Such requirements must not hinder the Government's right to award contracts and to administer their provisions.

(d) The Contractor agrees to include the provisions of this clause including this paragraph (d) in each subcontract awarded under this contract to notify the Contracting Officer of such subcontracts.

(e) In the event of noncompliance with this clause, the Contractor's right to proceed may be terminated in whole or in part by the Contracting Officer and the work completed in a manner determined by the Contracting Office to be in the best interest of the Government.

[End of clause]

§ 1452.210-70 Brand Name or Equal.

As prescribed in 1410.004-70(c), insert the following provision in solicitations which contain a "brand name or equal" purchase description:

BRAND NAME OR EQUAL—DEPARTMENT OF THE INTERIOR (APR. 1984)

(As used in this clause, the term "brand name" includes identification of products by make and model.)

(a) If items called for by this solicitation have been identified in the schedule by a "brand name or equal" description, such identification is intended to be descriptive, but not restrictive, and is to indicate the quality and characteristics of products that will be satisfactory. Bids offering "equal" products (including products of the brand name manufacturer other than the one

described by brand name) will be considered for award if such products are clearly identified in the bids or proposals and are determined by the Government to meet fully the salient characteristics requirements listed in the solicitation.

(b) Unless the bidder clearly indicates in its bid that it is offering an "equal" product, its bid shall be considered as offering a brand name product referenced in the solicitation.

(c)(1) If the bidder proposes to furnish an "equal" product, the brand name, if any, of the product to be furnished shall be inserted in the space provided in the solicitation, or such product shall be otherwise clearly identified in the bid. The evaluation of bids and the determination as to equality of the product offered shall be the responsibility of the Government and will be based on information furnished by the bidder or identified in its bid as well as other information reasonably available to the contracting activity. **CAUTION TO BIDDERS:** The contracting activity is not responsible for locating or securing any information which is not identified in the bid and reasonably available to the contracting activity. Accordingly, to assure that sufficient information is available, the bidder must furnish as a part of its bid all descriptive material (such as cuts, illustrations, drawings, or other information) necessary for the contracting activity to: (i) Determine whether the product offered meets the salient characteristics requirement of the solicitation; and (ii) establish exactly what the bidder proposes to furnish and what the Government would be binding itself to purchase by making an award. The information furnished may include specific reference to information previously furnished or to information otherwise available to the contracting activity.

(2) If the bidder proposes to modify a product so as to make it conform to the requirements of the solicitation, it shall: (i) Include in his bid a clear description of such proposed modifications; and (ii) clearly mark any descriptive material to show the proposed modifications.

(3) Modifications proposed after bid opening to make a product conform to a brand name product referenced in the solicitation will not be considered.

§ 1452.215-70 Examination of records by the Department of the Interior.

As prescribed in 1415.106.1, insert the following clause in all contracts containing the clause at FAR 52.215-1, Examination of Records by the Comptroller General (see FAR 15.106-1(b)):

EXAMINATION OF RECORDS BY THE DEPARTMENT OF THE INTERIOR (APR. 1984)

For purposes of the Examination of Records by the Comptroller General (APR 1984) clause of this contract (FAR 52.214-1), the Secretary of the Interior, the Inspector General, and their duly authorized representative(s) from the Department of the Interior shall have the same access and examination rights as the Comptroller General of the United States.

[End of clause]

§ 1452.215-71 Use and disclosure of proposal information.

As prescribed in 1415.413-70, insert the following provision in requests for proposals and requests for quotations instead of the provision at FAR 52.215-12:

USE AND DISCLOSURE OF PROPOSAL INFORMATION—DEPARTMENT OF THE INTERIOR (APR. 1984)

(a) *Definitions.* For the purposes of this provision and the Freedom of Information Act (5 U.S.C. 552), the following terms shall have the meaning set forth below:

(1) "Trade Secret" means an unpatented, secret, commercially valuable plan, appliance, formula, or process, which is used for making, preparing, compounding, treating or processing articles or materials which are trade commodities.

(2) "Confidential commercial or financial information" means any business information (other than trade secrets) which is exempt from the mandatory disclosure requirement of the Freedom of Information Act, 5 U.S.C. 552. Exemptions from mandatory disclosure which may be applicable to business information contained in proposals include exemption (4), which covers "commercial and financial information obtained from a person and privileged or confidential," and exemption (9), which covers "geological and geophysical information, including maps, concerning wells."

(b) If the offeror, or its subcontractor(s), believes that the proposal contains trade secrets or confidential commercial or financial information exempt from disclosure under the Freedom of Information Act, (5 U.S.C. 552), the cover page of each copy of the proposal shall be marked with the following legend:

"The information specifically identified on pages — of this proposal constitutes trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act. The offeror requests that this information not be disclosed to the public, except as may be required by law. The offeror also requests that this information not be used in whole or part by the Government for any purpose other than to evaluate the proposal, except that if a contract is awarded to the offeror as a result of or in connection with the submission of the proposal, the Government shall have the right of use the information to the extent provided in the contract."

(c) The offeror shall also specifically identify trade secret information and confidential commercial and financial information on the pages of the proposal on which it appears and shall mark each such page with the following legend:

"This page contains trade secrets or confidential commercial and financial information which the offeror believes to be exempt from disclosure under the Freedom of Information Act and which is subject to the legend contained on the cover page of this proposal."

(d) Information in a proposal identified by an offeror as trade secret information or confidential commercial and financial information shall be used by the Government only for the purpose of evaluating the proposal, except that: (i) If a contract is awarded to the offeror as a result of or in connection with submission of the proposal, the Government shall have the right to use the information as provided in the contract; and (ii) if the same information is obtained from another source without restriction it may be used without restriction.

(e) If a request under the Freedom of Information Act seeks access to information in a proposal identified as trade secret information or confidential commercial and financial information, full consideration will be given to the offeror's view that the information constitutes trade secrets or confidential commercial or financial information. The offeror will also be promptly notified of the request and given an opportunity to provide additional evidence and argument in support of its position, unless administratively unfeasible to do. If it is determined that information claimed by the offeror to be trade secret information or confidential commercial or financial information is not exempt from disclosure under the Freedom of Information Act, the offeror will be notified of this determination prior to disclosure of the information.

(f) The Government assumes no liability for the disclosure or use of information contained in a proposal if not marked in accordance with paragraphs (b) and (c) of this provision. If a request under the Freedom of Information Act is made for information in a proposal not marked in accordance with paragraphs (b) and (c) of this provision, the offeror concerned shall be promptly notified of the request and given an opportunity to provide its position to the Government. However, failure of an offeror to mark information contained in a proposal as trade secret information or confidential commercial or financial information will be treated by the Government as evidence that the information is not exempt from disclosure under the Freedom of Information Act, absent a showing that the failure to mark was due to unusual or extenuating circumstances, such as a showing that the offeror had intended to mark, but that markings were omitted from the offeror's proposal due to clerical error.

[End of provision]

§ 1452.224-1 Privacy Act Notification.

(a) As prescribed in § 1424.104, the clause at FAR 52.244-1, Privacy Act Notification, shall be modified before insertion into solicitations and contract by.

(1) Changing the title of the clause to read "PRIVACY ACT NOTIFICATION (APR. 1984) (DEVIATION)"; and

(2) Adding the following sentence to the end of the clause:

"Applicable Department of the Interior regulations are set forth in 43 CFR 2, Subpart D, and may be obtained by submitting a written request to the Privacy Act Officer, Officer of the Assistant Secretary—Policy,

Budget and Administration, Department of the Interior, Washington, D.C. 20240."

(b) As prescribed in FAR 52.103(a) and 52.107(f), the clause at FAR 52.252-6, Authorized Deviation in Clauses, shall be inserted into solicitations and contracts containing the clause in (a) above.

§ 1452.225-70 Buy American Act Notice.

As prescribed in § 1425.205, insert the following provision in solicitations for construction inside the United States:

BUY AMERICAN ACT NOTICE—
DEPARTMENT OF THE INTERIOR (APR. 1984)

(a) The Buy American Act (41 U.S.C. 10) generally requires that only domestic construction material be used in the performance of this contract (see the clause titled "Buy American Act—Construction Materials"). This requirement does not apply to the following construction materials:

[List excepted material or indicate "none".]

(b) Offers based on the use of other foreign construction material may be acceptable for award if the Government determines that—

(1) Comparable domestic construction material in sufficient and reasonably available quantities, of a satisfactory quality, is unavailable; or

(2) Use of comparable domestic construction material is impracticable or would unreasonably increase the cost.

(c) Any offer based on the use of one or more other foreign construction materials shall include data, in the format listed in paragraph (e) below, clearly demonstrating that the cost of each foreign construction material, plus 6 percent, is less than the cost of each comparable domestic construction material. The cost of construction material shall be computed to include all delivery costs to the construction material and shall also include any applicable duty (whether or not a duty-free entry certificate may be issued).

(d) For evaluation purposes, the Government shall add to the offer 6 percent of the cost of foreign material which qualifies for acceptance under paragraph (c) above.

(e) For foreign construction material which does not qualify for acceptance under paragraph (c) above, the Government shall evaluate the offer on the basis of the stated price for comparable domestic construction material. *Therefore, if the offer does not state a price for a comparable domestic construction material, and the foreign construction material does not qualify for acceptance under paragraph (c) above, the offer shall be rejected as nonresponsive.*

(f) For evaluation purposes under paragraph (c) above, the following information shall be included in the offer for the use of one or more foreign construction materials:

FOREIGN AND DOMESTIC CONSTRUCTION MATERIALS COST COMPARISON

Construction material description	Unit	Quantity	Cost including all delivery costs to construction site ¹ (dollars)
Item 1:			
Foreign construction material			
Comparable domestic construction material			
Item 2:			
Foreign construction material			
Comparable domestic construction material			

¹ Also include applicable duty for foreign material.

[End of provision]

§ 1452.228-7 Insurance—Liability to third persons.

(a) As prescribed in § 1428.311-2, the clause at FAR 52.228-7, Insurance—Liability to Third Persons, shall be modified before insertion into solicitations and contracts by:

(1) Changing the title of the clause to read "INSURANCE—LIABILITY TO THIRD PERSONS (APR 1984) (DEVIATIONS)"; and

(2) Changing the first sentence in subparagraph (c)(2) of the clause to read "For certain liabilities (and expenses incidental to such liabilities) to third persons not compensated by insurance or otherwise but subject to the 'Limitation of Cost' or 'Limitation of Funds' clause of this contract."

(b) As prescribed in FAR 52.103(a) and 52.107(f), the clause at FAR 52.252-6, Authorized Deviations in Clauses, shall be inserted into solicitations and contracts containing the clause in (a) above.

§ 1452.228-70 Indemnification.

As prescribed in 1428.301, insert the following clause in all contracts where circumstances warrant the carrying of insurance by the contractor (see FAR 28.301 and 28.306):

INDEMNIFICATION—DEPARTMENT OF THE INTERIOR (APR. 1984)

(a) The Contractor shall indemnify the hold the Government harmless for any and all losses, damages, or liability on account of personal injury, death, or property damage, or claims for personal injury, death, or property damage of any nature whatsoever and by whomsoever made, arising out of the activities of the Contractor, its employees, subcontractors, or agents under the contract. For the purpose of fulfilling its obligations under this paragraph, the Contractor shall procure and maintain during the term of this contract and any extension thereof liability insurance in form satisfactory to the Contracting Officer by an insurance company which is acceptable to the Contracting Officer. The name insured parties under the

policy shall be the Contractor and the United States of America. The amounts of the insurance shall be not less than as follows:

- \$_____ each person.*
- \$_____ each occurrence.*
- \$_____ property damage.*

(b) Each policy or certificate evidencing the insurance shall contain an endorsement which provides that the insurance company will notify the Contracting Officer 30 days prior to the effective date of any cancellation or termination of the policy or certificate or any modification of the policy or certificate which adversely affects the interest of the Government in such insurance. The notice shall be sent by registered mail and shall identify this contract, the name and address of the contracting office, the policy and the insured.

(c) Prior to the commencement of work hereunder the Contractor shall furnish the Contracting Officer with acceptable evidence showing that the insurance coverage described in this clause has been obtained.

*These amounts to be set by the Contracting Officer.

[End of clause]

§ 1452.228-71 Risk and indemnities.

As prescribed in § 1428.306-70(c)(1), insert the following clause in all fixed-price contracts for operating of aircraft with contractor-furnished pilot:

RISK AND INDEMNITIES—DEPARTMENT OF THE INTERIOR (APR. 1984)

The Contractor hereby agrees to indemnify and hold harmless the Government, its officers and employees from and against all claims, demands, damages, liabilities, losses, suits and judgments (including all costs and expenses incident thereto) which may be suffered by, accrue against, be charged to or recoverable from the Government, its officers and employees by reason of injury to or death of any person other than officers, agents, or employees of the Government or by reason of damage to property of others of whatsoever kind (other than the property of the Government, its officers, agents or employees) arising out of the operation of the aircraft. In the event the Contractor holds or obtains insurance in support of this covenant, a Certificate of Insurance shall be delivered to the Contracting Officer.

[End of clause]

§ 1452.228-72 Liability for loss or damage.

As prescribed in § 1428.306-70(c)(2), insert the following clause in all fixed-price contracts involving the use of aircraft with Government-furnished pilot where the Government does not have a property interest in the aircraft:

LIABILITY FOR LOSS OR DAMAGE—DEPARTMENT OF THE INTERIOR (APR. 1984)

(a) The Contractor shall indemnify and hold the Government harmless from any and all loss or damage to the aircraft furnished under this contract except as provided in paragraph (d) below. For the purpose of fulfilling its obligation under this clause, the Contractor shall procure and maintain during

the term of this contract, and any extension thereof, hull insurance acceptable to the Contracting Officer. The Contractor's insurance coverage shall apply to pilots furnished by the Government who operate the aircraft. The contractor may request a list of Government pilots by name and qualification who are potential pilots.

(b) Prior to the commencement of work hereunder, the Contractor shall furnish to the Contracting Officer a copy of the insurance policy or policies or a certificate of insurance issued by the underwriter(s) showing that the coverage required by this clause has been obtained.

(c) Each policy or certificate evidencing the insurance shall contain an endorsement which provides that the insurance company will notify the Contracting Officer 30 days prior to the effective date of any cancellation or termination of any policy or certificate or any modification of a policy or certificate which adversely affects the interests of the Government in such insurance. The notice shall be sent by registered mail and shall identify this contract, the name and address of the contracting office, the policy, and the insured.

(d) If the aircraft is damaged or destroyed while in the custody and control of the Government, the Government will reimburse the Contractor for the deductible stipulated in the insurance coverage (if any) as follows:

(1) In-Motion Accidents—Up to 5% of the current insured value of the aircraft stated in the policy, or \$10,000.00, whichever is less.

(2) Not In-Motion Accidents—Up to \$250.00 per accident. Such reimbursement shall not be made, however, for loss or damage to the aircraft resulting from: (1) Normal wear and tear, (2) negligence or fault in maintenance of the aircraft by the Contractor, or (3) a defect in construction of the aircraft or a component thereof.

(e) If damage to the aircraft is established to be the fault of the Government, rental payments to the Contractor during the repair period will be made as set forth elsewhere in this contract. The Government may, at its option, make necessary repairs or return the aircraft to the Contractor for repair. In the event the aircraft is lost, destroyed, or damaged so extensively as to be beyond repair, no rental payment will be made to the Contractor thereafter.

(f) Any failure to agree as to the responsibility of the Government or the Contractor under this clause shall, after a final finding and determination by the Contracting Officer, be considered a dispute within the meaning of the "Disputes" clause of this contract.

[End of clause]

§ 1452.228-73 Liability for loss or damage (property interest).

As prescribed in § 1428.306-70(c)(3), insert the following clause in all fixed-price contracts involving the use of aircraft with Government-furnished pilot where the Government has a property interest in the aircraft (e.g., lease with purchase option):

LIABILITY FOR LOSS OR DAMAGE—DEPARTMENT OF THE INTERIOR (APR. 1980)

(a) The Government assumes all risk and liability for damage to or loss of the aircraft for the term of this contract, while the aircraft is in the Government's possession, except for: (1) Normal wear and tear to the aircraft, or (2) loss which occurs as a result of negligence or fault in maintenance of the aircraft by the contractor, or (3) loss resulting from a latent defect in the construction of the aircraft or a component thereof.

(b) In the event of damage to the aircraft, the Government may, at its option, make the necessary repairs with its own facilities, or by contract, or pay the Contractor the reasonable cost of repair of the aircraft. If damage to the aircraft is established to be the fault of the Government, rental payments to the Contractor during the repair period will be made as set forth elsewhere in this contract.

(c) In the event the aircraft is lost, destroyed, or damaged so extensively as to be beyond repair, no rental payment will be made to the Contractor thereafter, but the Government will pay to the Contractor a sum equal to the fair market value of the aircraft just prior to such loss, destruction, or extensive damage, less the salvage value of the aircraft.

(d) The Contractor certifies that the contract price does not include any cost attributable to insurance or to any reserve fund it has established to protect its interests in or use of the aircraft, regardless of whether or not the insurance coverage applies for the period during which the Government has possession of the aircraft. If, in the event of loss or damage to the aircraft, the Contractor receives compensation for such loss or damage, in any form, from any source, the amount of such compensation shall be credited to the Government in determining the amount of the Government's liability under this clause; except that this shall not apply to proceeds of insurance received solely as an advance of insurance pending determination of Government liability, or for an increment of value of the aircraft beyond the value for which the Government is responsible.

(e) In the event of loss or damage, the Government shall be subrogated to all rights of recovery by the Contractor against third parties for such loss or damage and such rights shall be immediately assigned to the Government. Except as the Contracting Officer may permit in writing, the Contractor shall neither release nor discharge any third party from liability for such loss or damage nor otherwise compromise or adversely affect the Government's subrogation or other rights hereunder. The Contractor shall cooperate with the government in any suit or action undertaken by the Government against any such third party.

(f) Any failure to agree as to the responsibility of the Government or the Contractor under this clause shall, after a final finding and determination by the Contracting Officer, be considered a dispute within the meaning of the "Disputes" clause of this contract.

[End of clause]

§ 1452.236-70 Prohibition against use of lead-based paint.

As prescribed in 1436.570, insert the following clause in solicitations and contracts when construction of residential structures or rehabilitation (including dismantling, demolition, or removal) of residential structures is contemplated:

PROHIBITION AGAINST USE OF LEAD-BASED PAINT—DEPARTMENT OF THE INTERIOR (APR. 1984)

No lead-based paint containing more than .5 or 1 percent lead by weight (calculated as lead metal) in the total nonvolatile content of paint, or the equivalent measure of lead in the dried film of paint already applied, or both, or with respect to paint manufactured after June 23, 1977, no lead-based paint containing more than .06 or 1 percent lead by weight (calculated as lead metal) in the total nonvolatile content of the paint, or the equivalent measure of lead in the dried film of paint already applied, or both, shall be used in the construction or rehabilitation of residential structures under this contract or any resulting subcontracts.

[End of clause]

§ 1542.237-70 Information collection.

As prescribed in § 1437.713, insert the following clause in solicitations and contracts where collection of information upon identical items from ten or more public respondents is required or may be required:

INFORMATION COLLECTION—DEPARTMENT OF THE INTERIOR (APR. 1984)

If performance of this contract requires the contractor to collect information upon identical items from ten or more public respondents, no action shall be taken or funds expended in the solicitation or collection of such information until the contractor has received from the Contracting Officer written notification that approval has been obtained from the Office of Management and Budget (OMB) pursuant to the Paperwork Reduction Act of 1980. The Contractor agrees to provide all information requested by the Contracting Officer which is necessary to obtain approval from OMB.

[End of Clause]

PART 1453—FORMS

Sec.

1453.000 Scope of part.

Subpart 1453.2—Prescription of forms

1453.200 Department of the Interior forms.

1453.204 Administrative matters.

1453.204-70 Release of claims (DI-137).

1453.215 Contracting by negotiation.

1453.215-71 Structured approach for profit/fee objective (DI-1920).

1453.219 Small business and small disadvantaged business concerns.

1453.219-71 Sample subcontracting plan outline.

1453.219-72 Performance evaluation (8(a)) (DI-1919).

1453.232 Contract financing.

1453.232-70 Assignment of claims (DI's 83, 84).

Subpart 1453.3—Illustrations of Forms

1453.300 Scope of subpart.

1453.303 Agency forms.

1453.303-70 Sample subcontracting plan outline format.

Authority: Sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c), and 5 U.S.C. 301.

§ 1453.000 Scope of part.

This part (a) prescribes Department of the Interior (DI) forms for use in acquisition, (b) illustrates these forms, and (c) contains procedures for exceptions to forms prescribed in FAR Part 53 or this Part 1453.

Subpart 1453.2—Prescription of Forms

§ 1453.200 Department of the Interior forms.

This subpart prescribes Department of the Interior (DI) forms for use in acquisition. Consistent with the approach used in FAR Subpart 53.2, this subpart is arranged by subject matter, in the same order as, and keyed to, the parts of the DIAR in which the form usage requirements are addressed.

§ 1453.204 Administration matters.

§ 1453.204-70 Release of claims (DI-137).

DI-137, Release of claims, is prescribed for use in obtaining a contractor release of claims as specified in § 1404.804-70.

§ 1453.215 Contracting by negotiation.

§ 1453.215-71 Structured approach for profit/fee objective (DI-1920).

Form DI-1920, Structured Approach for Profit/Fee Objective—Department of the Interior is prescribed for use in calculating the profit or fee prenegotiation objective as required in § 1415.905.

§ 1453.219 Small business and small disadvantaged business concerns.

§ 1453.219-71 Sample subcontracting plan outline.

The Sample Subcontracting Plan Outline format is prescribed for use in requesting subcontracting plans as specified in § 1419.705-70.

§ 1453.219-72 Performance evaluation (8(a)) (DI-1919).

DI-1919, Performance Evaluation (8(a)), is prescribed for use in evaluating the performance of SBA 8(a) contractors as specified in 1419.810-70.

§ 1453.232 Contract financing.

§ 1453.232-70 Assignment of claims (DI's 83, 84).

The following forms are prescribed for use in connection with making a written notice of assignment as specified in FAR Subpart 32.8 and Subpart 1432.8:

(a) DI-83 (1/72), Notice of Assignment. (See 1432.805.)

(b) DI-84 (1/72), Instrument of Assignment. (See 1432.805.)

Subpart 1453.3—Illustrations of Forms

§ 1453.300 Scope of subpart.

This subpart contains illustrations of Department of the Interior (DI) forms used in acquisition as prescribed by the DIAR.

§ 1453.303 Agency forms.

This section illustrates Department of the Interior (DI) forms specified by the DIAR for use in acquisition. The forms are illustrated in numerical order.

BILLING CODE 4310-10-M

UNITED STATES
DEPARTMENT OF THE INTERIOR
NOTICE OF ASSIGNMENTSEE INSTRUCTIONS
ON REVERSE
BEFORE COMPLETING
FORM

To: (check one)

☐ Contracting Officer, or☐ Surety

(Name)

Re Contract Number

Dated

With

(Contractor)

(State)

(Zip Code)

For

(Project Identification)

PLEASE TAKE NOTICE that moneys due or to become due under the contract described above have been assigned to the undersigned pursuant to the provisions of the Assignment of Claims Act of 1940, as amended, 54 Stat. 1029; 65 Stat. 41 (31 U.S.C. 203, 41 U.S.C. 15). A true copy of the instrument of assignment executed by the contractor on (date) _____ is attached to the original hereof.

Payments due or to become due under such contract shall be made to the undersigned assignee.

Please complete and return all copies of this Notice as indicated on the reverse hereof.

(Name of Assignee)

By

(Name and Title of Officer of Assignee)

(Street Address)

(Signature)

(City)

(State)

(Zip Code)

(Date)

Receipt is hereby acknowledged of the above Notice and a copy of the instrument of assignment. These were received at _____
at _____ a.m. _____ p.m., on (date) _____

FOR USE OF CONTRACTING OFFICER

(Name of Contracting Officer)

By

(Name and Title of Signing Officer)

(Signature)

(Signature of Surety Officer)

FOR USE OF SURETY

(Surety Name)

INSTRUCTIONS

Under the Assignment of Claims Act of 1940, as amended (31 U.S.C. 203, 41 U.S.C. 15), moneys due or to become due from the United States under a contract providing for payments aggregating \$1,000 or more may be assigned to a bank, trust company, Federal lending agency, or other recognized financing institution in the agency of a contract provision forbidding assignment. Unless otherwise permitted by the contract: (1) an assignment must cover all further amounts payable under the contract; (2) shall not be subject to further assignment; and (3) shall not be made to more than one party, except that assignment may be made to one party acting as agent or trustee for two or more parties participating in the financing. The assignee is required to provide a notice of assignment to the Contracting Officer; to the surety, if there is one; and to the disbursing officer, if any, designated in the contract to make payments.

In order to avoid possible invalidity of an assignment, and to provide a notice of assignment to all parties concerned, the following instructions should be followed carefully:

1. Assignee:

(a) Send an original and two copies of this Notice of Assignment (DI-83), together with one true copy * of an instrument of assignment **, to the Contracting Officer.

(b) Send by certified mail, return receipt requested, another original and three copies of this Notice of Assignment, together with one true copy * of the instrument of assignment, to the surety—if bond(s) were provided by a surety under the contract. (See Instruction 4 below for additional required action by assignee.)

2. Contracting Officer:

(a) Acknowledge receipt of this Notice of Assignment on the original and all copies.
(b) Forward one acknowledged copy of this Notice of Assignment plus the true copy of the instrument of assignment to the appropriate finance officer.
(c) Return one acknowledged copy of this Notice of Assignment to the assignee.
(d) Retain the original Notice of Assignment.

3. Surety:

(a) Acknowledge receipt of this Notice of Assignment on the original and all copies.
(b) Return three acknowledged copies of this Notice of Assignment to the assignee.
(c) Retain the original Notice of Assignment and the true copy of the instrument of assignment.

4. Assignee:

(a) Retain one copy of this Notice of Assignment acknowledged by the surety.
(b) Forward two copies of this Notice of Assignment acknowledged by the surety, to the Contracting Officer. If the surety has refused to acknowledge receipt of this Notice of Assignment, the assignee must prepare an affidavit to that effect, attach the postal return receipt which covered the mailing of this Notice of Assignment to the surety, and forward them to the Contracting Officer.

5. Contracting Officer:

(a) Retain either the affidavit and postal receipt from the assignee or one of the copies of this Notice of Assignment acknowledged by the surety.
(b) Forward a copy of the affidavit, or the copy of this Notice of Assignment acknowledged by the surety to the appropriate finance officer.

* A true copy of an instrument of assignment may be a

- (a) complete machine copy of the original;
- (b) complete duplicate copy of the original; or
- (c) certified copy of the original, typewritten or otherwise, if it is accurate and complete in all respects and is accompanied by a certificate, executed by a Notary Public or other officer legally authorized to administer oaths, to the effect that it is a true copy.

** DI-84 completed, may be used as the instrument of assignment.

Form DI-84
(January 1972)UNITED STATES
DEPARTMENT OF THE INTERIOR
INSTRUMENT OF ASSIGNMENT

KNOW ALL MEN THAT pursuant to the provisions of the Assignment of Claims Act of 1940 as amended (31 U.S.C. 203, 41 U.S.C. 15), for value received, the undersigned Assignor (Contractor) does hereby assign irrevocably unto of as Assignee, all right, title, and interest in all moneys now due or to become due from, and not already paid by the United States of America under Contract No. , dated , previously entered into by and between the United States of America and the Assignor. The Assignor states that no previous assignment has been made, and no additional assignment will be made under the said contract, and authorizes payment of moneys now due or to become due to be made by checks drawn to the order of the said Assignee.

IN WITNESS WHEREOF, The undersigned Assignor has caused this assignment to be executed this day of , 19 , By (Assignor) (Signature)

(Street Number or R.F.D.) (City) (State) (Zip Code) (Name) (Title)

ACKNOWLEDGMENT
(Complete only if Assignor is an individual or partnership)

I, State of)
County of) ss:
do hereby certify that on this day of , 19 , personally appeared before me the above signator who, being by me duly sworn, duly acknowledged the execution of the above assignment to be his voluntary act and deed.

[NOTARIAL SEAL]

My commission expires (Signature of Notary Public)

AUTHORITY TO MAKE ASSIGNMENT
(Complete only if Assignor is a corporation)

I, corporation named as Assignor herein; that assignment on behalf of the said corporation was then the said corporation, acting for and on its behalf by authority of its governing body, certify that I am who executed this of

[SEAL]

(Date) (Signature)

DI-137
(November 1971)UNITED STATES
DEPARTMENT OF THE INTERIOR

RELEASE OF CLAIMS

WHEREAS, by the terms of the above contract for , entered into by the United States of America, hereinafter also referred to as the United States, and the contractor , it is provided that after completion of all work, and prior to final payment, the contractor will furnish the United States with a release of all claims;

NOW, THEREFORE, in consideration of the above premises and the payment by the United States to the contractor of the amount now due under the contract, to wit, the sum of dollars (\$), the contractor hereby remises, releases, and forever discharges the United States, its officers, agents, and employees, of and from all manner of debts, dues, liabilities, obligations, accounts, claims, and demands whatsoever, in law and in equity, under or by virtue of the said contract except:

IN WITNESS WHEREOF, the contractor has executed this release this day of , 19

(Contractor) By (Signature)

(Check one)

☐ Corporation ☐ Joint Venture
☐ Partnership ☐ Individual

(Name)

(Street Number or R.F.D.)

(City) (State) (Zip Code) (Title)

COMPLETE ONLY IF CONTRACTOR IS A CORPORATION

I, of the corporation named as contractor herein; that signed this release on behalf of the corporation, was then said release was duly signed for on behalf of said corporation by authority of its governing body, CERTIFY That I am the who of said corporation; and that

SEAL

(Signature)

1. Purchasing Office and Address: _____
2. Name of Contractor and Address: _____
3. Contract Number: _____ 4. Date of Award: _____ 5. Cost: _____
6. Number of Modifications: _____
Reasons for Modifications (Explain) _____
7. Contractor's Overall Performance: Excellent _____ Good _____ Fair _____ Poor _____
8. Quality of Product Or Service Provided: Excellent _____ Good _____ Fair _____ Poor _____
9. Compliance With Essential Contract Terms And Specifications: Yes _____ No _____
If no, explain. _____
10. Was Required Delivery Schedule Met? Yes _____ No _____ If no, explain. _____
11. Was Contract Performed Within Negotiated Price? Yes _____ No _____ (Explain) _____
12. Lessons Learned/Additional Comments: _____
13. Signature/Date: _____ Contracting Officer _____ Contracting Officer's Technical Representative _____

DI-1919 (10/83)

CONTRACTOR		REP/CONTRACT NO.	MOD. NO.
FACTOR/SUBFACTOR	WEIGHT RANGE	Column A(%) WEIGHT ASSIGNED	Column B(\$) PRENEGOTIATION COST OBJECTIVE
CONTRACTOR EFFORT			
Material Acquisition	1% to 4%		
Conversion of Direct Labor	4% to 12%		
Conversion-Related In-direct Costs	3% to 8%		
General Management	4% to 8%		
Other Cost (Subcontract Facilities Capital Cost of Money)			
Total Contractor Effort (Add Columns)			
OTHER FACTORS	WEIGHT RANGE	WEIGHT ASSIGNED	
2 Contract Cost Risk	0% to 7%		
3 Federal Socioeconomic Programs	+ .5%		
4 Capital Investments	- 2%		
5 Cost Control and Other Past Accomplishments	+ 1%		
6 Independent Development			
TOTAL PROFIT/FEE OBJECTIVE (ADD LINES 1-6, COLUMN C)			

DIAR (48 CFR) 1453.215-70

APRIL 84

DI-1920

BILLING CODE 4310-10-C

§ 1453.303-70 Sample subcontracting plan outline format.

Small Business and Small Disadvantaged Business Subcontracting Plan Outline Format

Date:
Contractor:
Address:
Solicitation or Contract Number:
Item/Service:

The following, together with any attachments, is hereby submitted as a Subcontracting Plan to satisfy the applicable requirements of Pub. L. 95-507.

1. (a) The following percentage goals (expressed in terms of a percentage of total planned subcontracting dollars) will be applicable to any contract awarded as a result of this solicitation:

(i) Small Business Concerns: —% of total planned subcontracting dollars under this contract will go to subcontractors who are small business concerns.

(ii) Small Disadvantaged Business Concerns: —% of total planned subcontracting dollars this contract will go to subcontractors who are small business concerns owned and controlled by socially and economically disadvantaged individuals.

(b) The following dollar values correspond to the percentage goals shown in (a) above:

(i) Total dollars planned to be subcontracted to small business: \$_____.

(ii) Total dollars planned to be subcontracted to small disadvantaged business: \$_____.

(c) The total estimated dollar value of all planned subcontracting (to all types of business) under this contract is \$_____.

(d) The following principal products and/or services will be subcontracted under this contract, and the distribution among small and small disadvantaged business is as follows:

(Products/services planned to be subcontracted to Small Business Concerns are identified by * and to Small Disadvantaged by **)

(e) The following method was used in developing subcontract goals (e.g., what source lists were used and what organizations were or will be contacted to obtain SB and SDB sources)

Indirect and overhead costs (check one): have been — have not been — included in the goals specified in 1(a) and 1(b).

If "have been" is checked, explain the method used in determining the proportionate share of indirect and overhead costs to be incurred with small business and small disadvantaged business subcontractors.

2. The following individual will administer the subcontracting program:
Name:

Address:
Telephone:
Title:

This individual's specific duties, as they relate to the firm's subcontracting program, are as follows: General overall responsibility for review, monitoring and execution of the plan including but not limited to:

(a) Obtaining small and small disadvantaged business sources from all applicable agencies such as SBA and MBDA.

(b) Assuring inclusion of SB and SDB firms in all solicitations where appropriate.

(c) Attending or arranging for attendance at Business Opportunity Workshops, Minority Business Enterprise Seminars, Trade Fairs.

(d) Conducting or arranging for conduct of motivational training for purchasing personnel pursuant to the intent of Pub. L. 95-507.

(e) Monitoring attainment of proposed goals.

(f) Reviewing solicitations to remove statements, clauses, etc., which may tend to prohibit SB and SDB participation.

(g) Additions to (or deletions from) to the duties specified above are as follows:

3. The following efforts will be taken to assure that small and small disadvantaged concerns will have an equitable opportunity to compete for subcontracts:

(a) Outreach efforts will be made as follows:

(i) Contacts with minority and small business trade associations. Name at least three (3).

(ii) Contracts with business development organizations. Name at least two (2).

(iii) Attendance at small and minority business procurement conferences and trade fairs. Provide examples.

(b) The following internal efforts will guide and encourage buyers:

(i) Workshops, seminars, and training programs will be conducted.

(ii) Activities will be monitored to evaluate compliance with this subcontracting plan.

(c) Small and disadvantaged business source lists, guides, and other data identifying small and disadvantaged business vendors will be maintained and utilized by buyer in soliciting subcontracts.

(d) Additions to (or deletions from) the above listed efforts are as follows:

4. The bidder (offeror) agrees that the clause entitled Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals will be included in all subcontracts which offer further subcontracting opportunities, and all subcontractors except Small Business Concerns who receive

subcontracts in excess of \$500,000 or in the case of a contract for the construction of any public facility, \$1,000,000, will be required to adopt and comply with a subcontracting plan similar to this one. Such plans will be reviewed by comparing them with the provisions of Pub. L. 95-507, and assuring that all minimum requirements of an acceptable subcontracting plan shall be determined on a case-by-case basis depending on the supplies/services involved, the availability of potential small and disadvantaged subcontractors, and prior experience. Once approved and implemented, plans will be monitored through the submission of periodic reports, and/or, as time and availability of funds permit, periodic visits of subcontractors facilities or review applicable records and subcontracting program progress.

5. The bidder (offeror) agrees to submit such periodic reports and cooperate in any studies surveys as may be required by the contracting agency or the Small Business Administration in order to determine the extent of compliance by the bidder with the subcontracting plan.

6. The bidder (offeror) agrees to maintain at least the following types of records to document compliance with this subcontracting plan:

(a) Small and disadvantaged business source lists, guides and other data identifying SB and SDB vendors.

(b) Organizations contacted for small and disadvantaged business sources.

(c) On a contract-by-contract basis, records on all subcontract solicitations over \$100,000, indicating on each solicitation: (1) Whether small business was solicited, and if not, why not; (2) whether small disadvantaged business was solicited, and if not, why not; (3) reasons for the failure of solicited small business or small disadvantaged business to receive the subcontract award.

(d) Records to support other outreach efforts: Contracts with Minority and Small Business Trade Associations, etc. Attendance at small and minority business procurement conferences and trade fairs.

(e) Records to support internal activities to guide and encourage buyers: workshops, seminars, training programs, etc. Monitoring activities to evaluate compliance.

(f) On a contract-by-contract basis, records to support award data submitted to the Government to include name and address of subcontractor.

(g) Records to be maintained in addition to the above are as follows:

Signed:
Typed Name:
Title:
Date:

Federal Register

Monday
February 13, 1984

Part IV

Commodity Futures Trading Commission

17 CFR Part 1 et al.
Regulation of Certain Leverage
Transactions; Interim Final Rule

COMMODITY FUTURES TRADING COMMISSION

17 CFR Parts 1, 3, 4, 31, 145, 147 and 190

Regulation of Certain Leverage Transactions

AGENCY: Commodity Futures Trading Commission.

ACTION: Interim final rules.

SUMMARY: The Commodity Futures Trading Commission ("Commission") has adopted interim final rules which establish a comprehensive regulatory scheme designed to govern the offer and sale to the public of leverage transactions¹ for the purchase of silver bullion, gold bullion, bulk silver coins, bulk gold coins, copper, platinum, Deutsche marks, Japanese yen, Swiss francs and British pounds. The adoption of these rules will not affect the temporary moratoria which the Commission has previously imposed on the entry of new firms into the leverage transaction business, 17 CFR 31.1, 31.2.

In conjunction with the issuance of these rules, the Commission, in Federal Register notices which will be separately published, will propose and seek public comment upon a fee to be charged for each application for registration of a leverage commodity filed with the Commission and a fee to be charged for audits of leverage transaction merchants.

EFFECTIVE DATE: These interim rules shall become effective on April 13, 1984. Sections 31.5(c) and 31.5(d), however, shall become effective February 13, 1984.

FOR FURTHER INFORMATION CONTACT: David R. Merrill, Assistant General Counsel, Office of the General Counsel, Commodity Futures Trading Commission, 2033 K Street, NW., Washington, D.C. 20581, telephone (202) 254-9880; Lawrence B. Patent, Special Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, 2033 K Street, NW., Washington, D.C. 20581, telephone (202) 254-8955; or Paul M. Architzel, Chief

Counsel, Division of Economics and Education, Commodity Futures Trading Commission, 2033 K Street, NW., Washington, D.C. 20581, telephone (202) 254-6990.

SUPPLEMENTARY INFORMATION:

I. Introduction

In section 234 of the Futures Trading Act of 1982, Pub. L. No. 97-444, 96 Stat. 2322 (1983), Congress amended Section 19(c) of the Commodity Exchange Act ("Act"), 7 U.S.C. 23(c), to require the Commission to regulate leverage contracts in gold or silver bullion or bulk coins or in any other commodities other than those that were specifically enumerated in Section 2(a)(1) of the Act prior to the amendments to the Act in 1974. Leverage transactions in these enumerated commodities are prohibited by Section 19(a) of the Act, 7 U.S.C. 19(a).

Accordingly, the Commission on June 1, 1983, determined to propose and solicit public comments upon comprehensive regulations governing the offer and sale of leverage contracts involving certain commodities which were being marketed in accordance with the temporary moratoria. These regulations, among other things, included provisions concerning the definition of the term leverage contract, designation of leverage contracts to be offered and sold, the registration of firms and salespersons engaged in marketing leverage transactions, minimum financial requirements for leverage firms, requirements concerning the repurchase of leverage transactions, disclosure and segregation of customers' funds requirements, financial reports, recordkeeping and reporting requirements, and prohibitions concerning unlawful representations and guarantees against loss. On June 23, 1983, the Commission published in the Federal Register a notice of availability of these proposed regulations which gave interested persons sixty days within which to submit written comments (48 FR 28668).

In response to these proposals, approximately sixty written comments were received by the Commission. The commentors included firms claiming to be engaged in a leverage business, contract markets, futures commission merchants, individuals, academicians, a metals broker, law firms, an industry trade association, a securities exchange, the National Futures Association ("NFA"), the North American Securities Administrators Association, and the United States Department of Justice. The Commission has carefully reviewed each of these comments and, based

upon that review and its careful reconsideration of its proposal, is now adopting rules which it believes are not only responsive to the concerns of the commentors but are also fully consistent with the Commission's regulatory responsibilities under the Commodity Exchange Act.

As noted above, the rules adopted herein, while final, are deemed by the Commission to be of an interim nature primarily for two reasons. First, the Commission intends to continue in effect for a time after these rules become effective its regulatory moratoria on the entry of new firms into the regulated leverage business in order to evaluate the efficacy of these rules and, therefore, to facilitate a determination of when and under what terms and conditions to lift the moratoria in the future. Second and as more fully discussed below, although the Commission is not aware of any evidence that short sales of leverage contracts were engaged in during any relevant time period, the Commission, in response to several comments on this issue, will in the immediate future be soliciting additional, specific public comments concerning whether such short sales are contemplated under the Act, and if so, what additional customer protections or other amendments to these regulations would be necessary if such transactions were to be permitted.

Through its definition in these interim final rules of a leverage contract, the Commission is exercising its exclusive regulatory jurisdiction over transactions that fall within the scope of Section 19 of the Act. In adopting that definition, the Commission has exercised its authority to specify the standardized contracts that Congress expected to be regulated under Section 19 of the Act. H. Rep. No. 964, 97th Cong. 2d Sess. 51 (1982). As a result, any transaction involving a leverage contract as defined in Rule 31.4(w) for the delivery of a commodity registered under Rule 31.6 is subject to the comprehensive regulation governing the offer and sale of such contracts in Part 31, including the existing moratoria; any leverage contract, as so defined, for the delivery of a commodity enumerated in 19(a) of the Act is subject to the Congressional prohibition contained in that Section; and any leverage contract, as so defined, for the delivery of any other commodity remains subject to the Commission's existing regulatory moratorium set forth in Rule 31.2. In contrast, those transactions that do not meet the Commission's definition of a leverage contract are not within the Commission's regulatory jurisdiction

¹ As used herein, "leverage transaction" or "leverage contract" generally refers to a standardized contract for the delivery of a commodity that is commonly known to the trade as a margin account, margin contract, leverage account or leverage contract and includes any contract, account, arrangement, scheme, or device that serves the same function or functions as, or is marketed or managed in substantially the same manner as, such a standardized contract. See Section 19(a) of the Commodity Exchange Act, as amended ("Act"), 7 U.S.C. 23(a) (1982). The Commission has adopted more specific definitions of the terms "leverage transaction" and "leverage contract" in these rules as more fully discussed hereinafter.

under Section 19 of the Act and are not subject to Commission registration and regulation pursuant to Part 31. This "bright line" distinction between transactions subject to exclusive Commission jurisdiction under Section 19 and those not subject to Commission regulation thereunder is one of the salutary effects of the comprehensive definition adopted by the Commission. Those transactions not subject to exclusive Commission jurisdiction under Section 19 are open to regulation and enforcement by the states. See Section 12(e)(2)(C) of the Act. The Commission staff has undertaken communications with the states which will continue in an effort to coordinate full regulatory coverage in the area of these transactions.

The rules which the Commission is now adopting reflect the Commission's evaluation of the comments it has received and the Commission's further evaluation of its regulatory objectives in this rulemaking proceeding. The Commission has carefully weighed the concerns expressed by the commentators and, where possible, has modified its rule proposals to eliminate unnecessary regulatory burdens and any impediments to competition consistent with its regulatory responsibilities under the Act.

II. Definition of Leverage Contract

Proposed § 31.4 contained definitions of certain terms used throughout the proposed rules. Revisions made to these definitions from what had been proposed are explained below, as necessary, in the context of the summaries of the substantive regulatory provisions to which they relate.

Proposed § 31.4(w) defined the term "leverage contract" to mean a standardized contract for the long-term (ten years or longer) purchase by a customer of a commodity which provides for: (1) The initial and maintenance payments of a percentage of the spot-price value of the commodity, (2) periodic payment of a carrying charge or a fee on the unpaid balance, (3) delivery of a commodity in an amount and form which can be readily resold in normal commercial or retail channels, (4) delivery of the underlying commodity after satisfaction of the balance due on the contract by the customer, (5) repurchase of the contract by the person or firm who sold the contract to the customer upon demand by the customer, and (6) determination of the contract purchase and repurchase price by the person or firm who sold the contract and who acts as a principal in every contract.

The Commission solicited and received a number of comments on this proposed definition which the Commission has now carefully considered in reviewing this provision. While several commentators supported the Commission's proposed definition, the majority of commentators who addressed the definition felt that it should be amended in a number of respects. As a result, the Commission has made several changes to the proposed definition.

The provision in the proposed definition of leverage contract calling for the periodic payment of a carrying charge or fee on the unpaid balance was criticized by several commentators. It was suggested that this was not an essential characteristic of a leverage contract. It was also noted that leverage firms commonly have permitted their customers to fix in advance and prepay all or a portion of these carrying charges and that this practice should be permitted to continue. One commentator noted that it currently does not require the periodic payment of these charges and fees but rather allows them to accrue in its leverage customer's account until the leverage transaction to which they relate is completed. In response to these comments, the Commission has amended the definition of leverage contract to permit either the periodic payment by the leverage customer or the accrual by the LTM of a carrying charge or fee on the unpaid balance of the price of the contract.² Section 31.4(w)(3). The Commission continues to believe, however, that the periodic billing of leverage customers for these leverage fees or carrying charges, which purportedly represent charges for interest, storage and insurance, has long been a common characteristic of leverage contracts.

The provision in the proposed definition requiring repurchase of leverage contracts by the LTM upon demand by the customer was also objected to by several commentators. It was argued that such a requirement was especially unworkable in a volatile market, and that the requirement traditionally has not been an element of a leverage contract as known to the trade. As more fully set forth below in a discussion of proposed § 31.10, the Commission has eliminated this portion of its proposal from the final rules.

Proposed § 31.4(w)(vi) included the provision that an LTM was a principal in every leverage transaction. This

² The Commission contemplates that such periodic payments or accrual will be monthly or quarterly.

provision has now been separately set forth in § 31.4(w)(1).

Several commentators objected to defining leverage contracts as only long-term transactions of 10 years or more in duration. In particular, the view was expressed that this was inconsistent with the customary practices of the leverage industry and with the legislative history underlying the Commission's authority over leverage contracts. The Commission, however, continues to believe that, as the legislative history and other evidence indicates, leverage contracts as commonly known to the trade have traditionally been long-term contracts of at least this duration. This view is supported by congressional testimony which emphasized the long-term nature of leverage contracts presented by persons themselves claiming to be involved in a leverage business. See, e.g., *Hearings on H.R. 13113 Before the Senate Committee on Agriculture and Forestry*, 93rd Cong., 2d Sess. 749, 751 (1974) (statement of M. Martin Rom, Chairman of the Board, International Precious Metals Corp.); *Hearings on H.R. 10285 Before the Subcommittee on Agricultural Research and General Legislation of the Senate Committee on Agriculture, Nutrition and Forestry*, 95th Cong., 2d Sess. 625 (1978) (Statement of International Precious Metals Corp.). As a result, the Commission has not changed the proposed definition of leverage contract in this regard.

Several commentators expressed concern regarding the limitation of the proposed definition of leverage contract to the purchase of commodities by customers from LTMs and, therefore, the implicit exclusion from the proposed definition of the sale of commodities by leverage customers to LTMs, which were referred to by the commentators as "short sales." These commentators generally suggested that excluding such short sales from the definition would contradict a long-standing industry practice of making such short sales to customers and Congress' understanding of these instruments as leverage contracts.

The Commission, however, is unaware of evidence that such "short sales" of leverage contracts were in fact engaged in during any relevant time period. Indeed, the same testimony before Congress as cited above in discussing the duration of leverage contracts stressed that these contracts were intended as long-term purchases of commodities. Moreover, it would appear that long-term short sales, from an economic point of view, may be inconsistent with a stated purpose of

leverage contracts as a hedge against inflation.

Notwithstanding these factors, and in light of the general comments received concerning the existence of "short" leverage contracts, the Commission has determined to leave this issue open at the present time and to seek further, specific public comment thereon before determining whether Section 19 contemplates short sales by customers and, if so, how these rules might be amended to encompass the marketing of short sales of leverage contracts to the public. Accordingly, the Commission in the immediate future will publish in the *Federal Register* a notice of proposed rulemaking in which it will seek specific comments concerning the nature and characteristics of such instruments, how these instruments can be considered to be within the scope of Section 19 of the Act, the history of the entry into such instruments by the public, and how, if the Commission determines to include such instruments within its definition, the regulatory scheme created by these rules could be modified to accommodate the regulation of the marketing of such instruments consistent with the public interest and the anti-fraud, anti-manipulation and financial solvency standards of Section 19.

III. Definition of Leverage Commodity

The Commission has modified its proposed definition of "type of leverage commodity or contract" as proposed in § 31.4(g) to a definition of "leverage commodity." A leverage commodity is defined as a commodity which is the subject of a leverage contract and whose value is reflected in a widely-accepted and broadly-disseminated commercial or retail cash price series. This requirement is intended to enable leverage customers to determine the value of the leverage commodity independently of the leverage transaction merchant. Thus, the specification of an accurate, easily-available cash price series should assist leverage customers in calculating the resale value of leverage commodities. Where necessary, premiums to or discounts from this price series may be specified. See Commission rule § 31.4(g). Commission Rule § 31.4(g) also sets forth the distinguishing characteristics of a leverage commodity.

Several commentors opposed the requirement of a cash price series and suggested that appropriate cash price series do not exist for all commodities which are currently the subjects of leverage contracts. The Commission believes, however, that leverage customers and prospective leverage customers should be able to ascertain

the current economic value of the leverage commodity in order to evaluate the worth of a leverage contract. Because the majority of leverage customers will most likely be members of the public, not experts in the markets for the commodities which are the subjects of leverage contracts, such customers would have no means of ascertaining the true economic value of the contract in the absence of an appropriate cash price series. The Commission believes that where this type of information is not available to the typical leverage customer, the commodity is not an appropriate subject of a leverage contract.

The Commission expects that the value of most leverage commodities registered with it will be reflected in a price series published in the national press, with discounts from (or premiums to) that price. For example, a leverage commodity might be a kilo of gold with a prevailing 3 percent discount from the London afternoon price fix reflective of its value in retail cash market channels. The value of a pack of twenty Kruggerrands might, on the other hand, be reflected in a 1 percent premium over the London afternoon price fix of gold bullion.

Several commentors questioned the proposed definition of type of commodity and contract, noting that several contracts of varying durations may be offered on the same commodity. The Commission has considered these comments and clarified its proposed rule. As modified, Commission Rule § 31.4(g) also now incorporates the distinguishing characteristics of a leverage commodity which were included previously in § 31.6(a) of the proposed rules. Each leverage commodity is specified by its delivery unit and, for the purposes of this part of the Commission's rules, each leverage commodity is separately distinguished. For example, 2,000 ounces of silver is a different leverage commodity from 1,000 ounces of silver and, as discussed below, would require separate registration.³

Each leverage commodity based on gold and silver bullion or platinum is distinguished by each of the following characteristics: (1) The nominal size of the delivery pack and range of tolerable weights, e.g., 1,000 troy ounces of silver plus or minus 10 percent; (2) the composition of the delivery pack and tolerances as to its components, e.g., thirty-two one ounce bars of gold or one

one-kilo bar of gold; (3) the nominal bar weights and range of tolerable weights, e.g., a 1,000 ounce bar of silver no more than 1100 nor less than 950 troy ounces; (4) the minimum guaranteed quality measured in terms of purity or fineness, or by ASTM or other specified standards; (5) a list of deliverable refiners with their recognized brands or markings and a list of acceptable countries of origin; (6) the required packaging of bars or wrapping of individual bars, if any; (7) the method of commodity pricing, e.g., fineness times actual gross delivered weight in ounces times per ounce price; (8) location(s) of delivery facility(ies) and type of facility(ies), such as warehouse, vault or other depository; and (9) the transportation and registration arrangements provided for customers taking delivery and associated costs, such as for bonding or vault outcharges.

For gold and silver bulk coins, by which is meant gold coins in packs of multiple coins and silver coins in canvas or similar bags, each leverage commodity is distinguished by each of the following characteristics: (1) The delivery unit, characterized by country of origin, name of coin, and, as appropriate, number of nominal value of coins; (2) composition of the delivery pack and tolerances, e.g., mixed U.S. dimes and quarters, with up to 75% of total weight accounted for by either coin; (3) the specifications concerning individual coins, including fineness, nominal coin weight and range of tolerable weights, and coin minting dates, if applicable; (4) the method of packaging, such as sealed transparent tube or bag; (5) the method of commodity pricing, e.g., fineness times actual gross delivered weight in ounces times per ounce price; (6) delivery alternatives, such as by receipt or invoice or by physical delivery, including location(s) and type of delivery facility(ies) such as warehouse, vault or other depository; and (7) the transportation and registration arrangements provided for customers taking delivery and associated costs, such as for bonding or vault outcharges.⁴

For the types of copper set forth in § 31.4(b)(2), each leverage commodity is distinguished by: (1) The nominal size of the delivery pack and range of tolerable weights, e.g., 10,000 pounds of copper cathode, plus or minus 2 percent; (2) the composition of the delivery pack and tolerances as components, e.g., ingots

³ As discussed in greater detail below, separate leverage contracts need not be registered with the Commission; only different leverage commodities will be separately registered.

⁴ Several commentors opposed the Commission's indication of minimum lot sizes for coins in the proposed rules. The Commission has deleted any reference to minimum lots in its § 31.4(g)(1).

and/or ingot bars; (3) the nominal weights and range of tolerable weights, if applicable, for deliverable cathodes, ingots, ingot bars, billets, wire bars, cakes and slabs; (4) the minimum guaranteed quality measured by ASTM or other specified standards; (5) a list of deliverable refiners and processors, with their recognized brands or markings, and a list of acceptable countries of origin; (6) the required packaging of cathodes, ingots, ingot bars, billets, wire bars, cakes or slabs or wrapping of individual cathodes, ingots, ingot bars, billets, wire bars, cakes or slabs, if any; (7) the method of commodity pricing, e.g., actual gross delivery weight in pounds times per pound copper price plus or minus a differential for variations in form or quality; (8) delivery alternatives, such as by receipt or invoice or by physical delivery, including location(s) and type of delivery facility(ies); and (9) the transportation and registration arrangements provided for customers taking delivery and associated costs.

Several firms claiming to be in the business of offering leverage contracts stated that various foreign currencies had been offered as the subject of leverage contracts before February 2, 1979, the date the Commission's moratorium on firms engaged in the business of offering or selling leverage contracts involving commodities other than gold and silver bullion and bulk coins became effective. Accordingly, the Commission has modified its definition of leverage commodity to allow the possibility of leverage contracts involving Deutsche marks, British pounds, Swiss francs and Japanese yen. For the foreign currencies listed in § 31.4(g)(3), the distinguishing characteristics include the amount and country of origin and the manner of delivery.

It should be noted that the distinguishing characteristics for each of these metals and foreign currencies are intended to be read as a whole; if any one characteristic changes then the commodity will be a different leverage commodity.

IV. Continuation of the Moratoria

In conjunction with proposing these rules, the Commission made known its intention to continue in effect for a time its regulatory moratoria rules on the entry of new firms into a leverage business, 17 CFR 31.1 and 31.2.⁵ A

⁵ Section 31.1 generally imposes a moratorium on the entry of new firms into the business of offering or selling leverage contracts involving gold or silver bullion or bulk coins which were not in that business on June 1, 1978. Section 31.2 imposes a similar moratorium on the entry of new firms into

number of commentators objected to the continuation of the moratoria primarily on the ground that those rules are anticompetitive and that the investing public could better be served by open competition under the Commission's regulatory scheme. It was also suggested that the Commission could enhance competition without totally eliminating the moratoria by modifying the present moratoria so that subsidiaries or affiliates of currently-registered FCMs could become eligible to market leverage contracts pursuant to the Commission's regulatory scheme.

The Commission has carefully considered each of these comments and also has reviewed its own position concerning the moratoria. While the Commission does not deny that some anticompetitive effect may result from the continuation of the moratoria for a time, the Commission has nevertheless concluded that the benefits which will accrue to the public from a temporary continuation of the moratoria after these rules are implemented will outweigh any adverse effect upon competition which might result from the moratoria. In this regard, the Commission believes that, by continuing the moratoria for a time after these rules have been implemented, it will be provided an opportunity to gain valuable knowledge from temporarily regulating a limited number of leverage firms engaged in marketing leverage contracts involving a limited number of commodities. Such experience will better enable the Commission to determine whether modifications of these interim rules are warranted and whether trading in certain additional commodities pursuant to leverage contracts and/or by an expanded number of firms would be consistent with the public interest and the Congressional requirement that the Commission's rules be designed to ensure effectively the financial solvency of such transactions and prevent manipulation or fraud. In this way, the Commission expects to be able to determine most effectively when, and under what terms and conditions, to lift all or selected portions of the regulatory moratoria.

This approach to the lifting of the moratoria is also consistent with Congress' recognition during the Commission's 1982 legislative reauthorization process that increasing demands on the Commission's limited resources justify caution by the Commission in removing the moratoria. Specifically, the conference committee

the business of offering or selling leverage contracts involving commodities other than gold or silver which were not in that business on February 2, 1979.

considering the bill that subsequently was enacted as the Futures Trading Act of 1982 noted:

The conferees recognize the increasing demands upon the Commission's resources and accordingly do not object to the current regulatory moratoria maintaining the status quo in the industry until such time as a comprehensive regulatory system is in place and the Commission is capable of regulating an expanded leverage industry. The moratoria are not ratified and extended in the bill itself, however, since they are inherently anticompetitive and thus contrary to the fundamental objectives of economic competition and the free marketplace. The conferees intend for the Commission to terminate these moratoria as quickly as the Commission determines it is prudent to do so.

H.R. Rep. No. 964, 97th Cong., 2d Sess. 51-52 (1982).⁶

In conjunction with the issue of continuing the moratoria, the Commission sought comments concerning membership in a self-regulatory organization registered by the Commission under Section 17 of the Act, 7 U.S.C. 21, of all persons engaged in a leverage business and registered under these rules. With one exception, commentators addressing this issue, including NFA, were generally supportive of this concept. The Commission continues to believe that the existence and registration under the Act of such a self-regulatory organization would be generally beneficial, and could be a significant factor in expediting the removal of the moratoria. The Commission, therefore, encourages those engaged in leverage businesses to work toward this goal.

V. Unlawful Conduct

Proposed § 31.5 would have required LTM's both to be registered with the Commission as leverage transaction merchants and to be designated to trade specific types of leverage commodities and contracts. The commentators generally agreed that it should be unlawful conduct for unregistered LTM's to be engaged in business and the Commission is basically adopting this requirement as proposed. As more fully discussed below, however, the Commission has replaced the term "designation" of leverage commodities with the term "registration." Therefore, § 31.5(a)(1) generally makes it unlawful for any person to offer and sell a leverage contract unless the leverage commodity which is the subject of the leverage contract has been registered

⁶ See also S. Rep. No. 384, 97th Cong., 2d Sess. 52 (1982); H.R. Rep. No. 565, Part 1, 97th Cong., 2d Sess. 108-109 (1982).

with the Commission in accordance with § 31.6.

VI. Registration

As proposed, the Commission's regulations governing the registration of firms and individuals engaged in leverage transactions would have been contained in Part 31 as §§ 31.7 and 31.8, respectively. The procedures proposed by the Commission for the registration of such persons were patterned after those applicable to futures commission merchants ("FCMs") and their associated persons ("APs"). Firms which offered and sold leverage contracts would have been required thereby to register as leverage transaction merchants ("LTM") and their sales personnel and supervisors would have been required to register as leverage representatives ("LRs"). As in the case of FCMs and their APs, LTMs and LRs would have been exempt from registration as commodity trading advisors ("CTAs") if the advisory services which they offered were limited to leverage transactions and were solely incidental to their respective businesses as an LTM or as a leverage representative.

Under the Commission's proposal, a leverage representative would need to have been sponsored by a leverage transaction merchant in order to be granted registration. Also, a leverage representative could not have been simultaneously associated with more than one leverage transaction merchant as a leverage representative, nor with an FCM or an introducing broker as an associated person.

The Commission has carefully considered the comments received on its proposal and has reconsidered the appropriate regulatory framework for participants in the leverage business in light of those comments. Although the commentors generally supported the Commission's concept of registration for LTMs and leverage representatives as set forth in §§ 31.7 and 31.8 of the proposed rules, a number of the commentors offered specific recommendations. Wherever possible the Commission has attempted to integrate those recommendations into the final rules.

Before discussing the specific changes to the Commission's proposal which are being adopted herein, the Commission wishes to note that it has determined that it is appropriate to incorporate the registration provisions with respect to leverage transaction merchants and their principals, supervisors and salespersons into the Commission's existing registration framework as fully as practicable. Accordingly, the

Commission has determined to relocate the registration requirements contained in proposed §§ 31.7 and 31.8 within Part 3 of the Commission's current regulations and to consolidate them to the extent possible with the existing registration provisions.⁷ The Commission believes that this approach promotes ease of reference and helps to ensure the internal consistency of the registration program for all Commission registrants. Thus, proposed § 31.7, requiring the registration of leverage transaction merchants, has been adopted essentially as proposed, but has been redesignated as new § 31.7.⁸

In this connection, and in accordance with the suggestion of one commentor, the Commission also has determined to register those individuals who solicit or accept customers' orders from leverage customers, or who supervise any person or persons so engaged, as associated persons of the sponsoring leverage transaction merchant in lieu of adopting its proposed new category of registrant, the leverage representative.⁹ Registering

⁷ 17 CFR Part 3.

⁸ As proposed, § 31.7(c) would have established procedures to provide for the addition of principals subsequent to the filing of the Form 7-R by an LTM. This provision was based upon similar provisions for FCMs, CTAs, CPOs, and introducing brokers as set forth in §§ 3.10(c), 3.13(c), 3.14(c) and 3.15(c), respectively. In order to streamline the registration regulations, the Commission has determined to add a new § 3.34, which consolidates all the above-cited provisions, including proposed § 31.7(c), which provide for the addition of principals in one rule. Thus, the Commission has removed paragraph (c) from §§ 3.10, 3.13, 3.14 and 3.15.

⁹ As proposed, and as is the case for FCMs and introducing brokers, leverage transaction merchants and associated persons of LTMs will be exempt from registration as CTAs if the advisory services which they offer are limited to leverage transactions and are solely incidental to their businesses as leverage transaction merchants. The Commission notes that the definition of a "commodity trading advisor" set forth in section 2(a)(1)(A) of the Act was amended in 1982 to include specifically "any person who . . . engages in the business of advising others . . . as to the nature of or the advisability of trading in . . . any leverage transaction authorized under section 19" Pub. L. No. 97-444, § 201(2). The Commission does not interpret § 2(a)(1)(A) to require leverage transaction merchants and their employees to register as CTAs if the Commission permits another form of registration which obviates that necessity. The purpose of this amendment was to ensure that persons who give advice regarding leverage transactions are registered with the Commission notwithstanding that persons who give advice regarding cash commodities are not required to register. Section 19 of the Act vests in the Commission plenary authority to require leverage transaction merchants and their employees to register in capacities other than the capacities of CTAs and APs of CTAs. The registration process and the standards for review of such applications are essentially the same in either case. See also Commission Rule 4.14(a)(3) (17 CFR 4.14(a)(3) (1983)) which provides an exemption from registration as a CTA to anyone registered as an associated person if the person's commodity trading advice is issued solely in connection with its employment as an associated person.

sales personnel and supervisors of each category of registrant as associated persons of such category also serves to simplify the Commission's administrative systems for tracking such persons' registration histories. The definition of the term "associated person" has been revised accordingly to reflect this change. See § 1.3(aa)(5).¹⁰

A. Associated Persons

By incorporating those provisions providing for the registration of the APs of LTMs in new § 3.18, the Commission will generally assure that identical procedures are employed in those cases where an individual is applying for registration for the first time, whether the AP will be associated with an FCM or introducing broker (§ 3.12(c)) with a CTA or CPO (§ 3.16(c)) or with an LTM (§ 3.18(c)).¹¹ Similarly, and in response to the concerns expressed by the commentors, the standards and procedures for the expedited reregistration of an AP which terminates its association with a sponsoring FCM, introducing broker, CTA, commodity pool operator ("CPO") or LTM will be identical for all categories of AP registration. Sections 3.12(d), 3.16(d), and 3.18(d).

Further, in order to minimize any adverse impact of these rules on those firms and individuals qualified to engage in a leverage business in accordance with the Commission's temporary moratoria, the Commission has adopted new § 31.5(d). Section 31.5(d) sets forth the compliance requirements for AP applicants who are associated with a sponsoring LTM or an affiliated FCM in accordance with §§ 31.1 and 31.2 on the publication date of this *Federal Register* release. In order to comply with the requirements of § 31.5(d), LTMs must

¹⁰ In this regard, the Commission notes that it stated in its proposal that the Commission considered leverage representatives to be the equivalent of associated persons for purposes of the "statutory disqualification" provisions set forth in section 8a of the Act. This has now been made express in the rule itself. Therefore, as was intended in the Commission's proposal, under these final rules the Commission may refuse to register, register conditionally, suspend, place restrictions upon or revoke the registration of leverage transaction merchants and the associated persons of leverage transaction merchants pursuant to section 8a of the Act and any regulations adopted thereunder. In this connection, the Commission has recently proposed regulations to implement, among other things, the new system of statutory disqualifications. See 48 FR 50554 (November 2, 1983).

¹¹ The Commission notes, however, that there is one minor difference in the registration procedures for the APs of LTMs as contrasted with those of other categories of AP registrant. Applicants for registration as an AP of an LTM must submit the "sponsor's certification" concurrently with the Form 8-R and fingerprint card. See § 3.18(c)(2) discussed *infra*.

file with the Commission the certification set forth in § 31.5(d) (1)-(4) within 30 days of the effective date of that section which is the publication date of this *Federal Register* release. Under the provisions of § 31.5(d), the sponsoring LTM would then have an additional 30-day period to submit the Form 8-R and fingerprint card for each such individual. In this regard, § 31.5(d) would supersede the requirement contained in § 3.18(c)(2) that the sponsoring LTM submit the "sponsor's certification" at the same time as the Form 8-R and fingerprint card. See further discussion of § 31.5(d) *infra*.

B. Initial Registration

A critical element of the Commission's registration system for APs is the requirement that such individuals be sponsored by the firms which will employ them. APs of LTMs will be subject to this same requirement. Thus, the sponsoring LTM must make certain certifications regarding the applicant.

Specifically, the sponsoring LTM must certify on the Form 8-R being filed as an application for AP registration that the applicant is currently associated with the sponsor (or will be so associated within thirty days of the date the applicant is registered).¹² Section 3.18(c)(1)(i). More importantly, § 3.18(c)(1)(ii) requires the sponsor to make whatever inquiries are necessary to certify that it has investigated and verified the applicant's education and employment history for the preceding five years and that such history is accurately presented in the Form 8-R. Section 3.18(c)(1)(iii) further requires the sponsor to certify that all of the publicly available information supplied by the applicant on the Form 8-R is accurate and complete to the best of its knowledge, information and belief.¹³ As the Commission has earlier indicated, these "screening" requirements "do no more than make uniform what should be the ordinary and customary practice" for every responsible registrant employer.¹⁴

The regulations do not prescribe the procedures which must be employed by the sponsor prior to making the required certifications. The Commission contemplates, however, that sponsoring

LTMs will use methods comparable to those employed by the financial community for sensitive positions and may contract with investigative agencies to perform some or all of the screening functions. This is the same standard applicable to all other sponsoring registrants, *i.e.*, FCMs, introducing brokers, CPOs and CTAs. In this regard, the Commission wishes to remind LTMs that it remains the sponsor's responsibility to assure itself of the accuracy of the representations that are made to the Commission.

The Commission is making one change in the application procedure for the APs of LTMs which differs from the Commission's current requirements for other categories of AP registrant. Specifically, the Commission has incorporated a provision into § 3.18 to require that the sponsoring LTM submit the certification required with respect to an applicant for registration as an associated person at the same time as the Form 8-R and fingerprint card are filed. Section 3.18(c)(2). The Commission believes that requiring applicants for registration as APs of LTMs to submit a fully complete registration application will enhance the Commission's ability to process such applications in a timely fashion and avoid unnecessary delays.¹⁵ Moreover, as the Commission has previously indicated, this requirement reflects the intent of Congress in enacting section 4k(5) of the Act that registrants make a reasonable inquiry into the background of an individual before permitting that individual to become associated with it as an associated person.¹⁶

C. Multiple Associations

Proposed § 31.8(f) would have prohibited a leverage representative from being simultaneously registered as a leverage transaction merchant. In addition, proposed § 31.8(e) would have prohibited a leverage representative from being simultaneously associated as an associated person of an FCM or introducing broker or as a leverage representative of another LTM.

A substantial number of the commentors addressed the Commission's proposal to prohibit certain dual and multiple associations and registrations. Although one

commentor expressed support for the Commission's proposal, the majority of these commentors specifically opposed that portion of the Commission's proposal which would prohibit an individual from being simultaneously associated with both a leverage transaction merchant and an FCM or introducing broker. For example, one commentor pointed out that it offers or sells dealer options to the public through its wholly-owned subsidiary which is registered with the Commission as an FCM. Many of its "leverage representatives" are registered as APs of that FCM for the express purpose of enabling them to sell dealer options to the public, which the Commission requires be sold through an FCM. Moreover, the commentor noted that in the event FCMs seek to enter the leverage industry after the lifting of the Commission's temporary moratoria, this rule would be an impediment to their participation.

The Commission has carefully considered each of these comments in light of its experience with the existing restrictions on the APs of FCMs, introducing brokers, CTAs and CPOs and has continued prohibitions on such associations in the final rules in a manner which is intended to ensure that responsibility for the conduct and sales activities of an AP of a leverage transaction merchant is clearly delineated although making clear that the Commission may entertain requests for exemption therefrom. Specifically, the Commission has determined to prohibit an AP of an LTM from being simultaneously associated as an AP of an FCM or an introducing broker or with more than one LTM. Sections 3.12(f)(2) and 3.18(f)(1) (i), (ii) and (iii). In addition, an AP of an LTM may not be simultaneously associated with a CTA or CPO. Section 3.18(f)(1) (iv) and (v). Finally, no person may be registered as an AP of a leverage transaction merchant and also registered as a floor broker. Section 3.18(f)(2).

The Commission notes that § 3.12(f), *inter alia*, currently prohibits an AP from being associated with more than one FCM.¹⁷ When it initially adopted this restriction, the Commission explained that "the obvious difficulties of supervision in such a situation and . . . the inherent possibilities for conflicts of interest that might arise if an AP were to have more than one sponsor" outweighed any possible adverse effects upon competition which

¹² If after the filing of a Form 8-R, the applicant either fails to become associated with the sponsor or if that relationship is terminated, the sponsor must promptly report that fact to the Commission. Section 3.31(c)(1).

¹³ See 48 FR 35248, 35254 n.35 (August 3, 1983) for a further discussion of this requirement by the Commission.

¹⁴ 45 FR 18356, 18357 (March 20, 1980); 45 FR 80485, 80488 (December 5, 1980); 48 FR 14933, 14937 (April 6, 1983); and 48 FR 35248, 35254 (August 3, 1983).

¹⁵ For the same reasons, the Commission recently proposed to amend §§ 3.12(c)(2) and 3.18(c)(2), the provisions governing the registration of APs of FCMs and introducing brokers, and CPOs and CTAs, respectively, to require that the sponsor's certification be submitted at the same time as the Form 8-R and fingerprint card. 48 FR 50554, 50561 (November 2, 1983). The Commission has not made any further determination with respect to these proposed amendments.

¹⁶ 48 FR 50554, 50560 (November 2, 1983).

¹⁷ 17 CFR 3.12(f)(1) (1983) as amended by 48 FR 35248, 35293 (August 3, 1983).

might result from such a prohibition.¹⁸ The Commission has the same concerns with respect to supervisory responsibility for the activities of the APs of LTM. In particular, the Commission notes that this is a new regulatory program and that there are significant differences between the manner in which futures contracts and leverage contracts are offered to the public and consequently the Commission's regulatory requirements also differ significantly. For example, the summary Disclosure Document which must be furnished to a prospective leverage customer is more detailed and comprehensive than the risk disclosure statement required to be provided to a prospective futures or options customer. In addition to delineating clear supervisory responsibility, the Commission's regulatory requirements also are intended to prevent futures customers from being transferred to leverage accounts without being given the proper disclosure.

The Commission is aware that the prohibitions contained in §§ 3.12(f) and 3.18(f) may pose certain difficulties for those LTM which also have affiliated FCMs. The Commission wishes to remind such persons that in accordance with §§ 3.12(g) and 3.18(g), any person adversely affected by the operation of those rules may petition the Commission for an exemption. In this connection, the Commission notes that the Division of Trading and Markets has previously granted exemptions from the prohibitions of § 3.12(f) where, among other circumstances, an AP wished to be associated with two affiliated FCMs and the FCMs agreed to certain conditions, including the assumption of joint and several liability for the supervision of all activities of such AP in connection with each sponsor's business as an FCM. Requests for exemptions will be considered on a case-by-case basis.

The Commission is aware that § 3.12(f) will require affiliated LTM and FCMs which do not receive an exemption to maintain separate sales personnel and supervisors. In this connection, the Commission understands that during the initial transition period after the effective date of these rules, affected firms may find it necessary to restructure their sales personnel in accord with § 3.12(f). The Commission has taken steps to minimize any disruption which this prohibition may cause to ongoing businesses. Specifically, the Commission has

amended § 31.5 to permit any individual who is currently registered as an associated person of an FCM and simultaneously associated with an affiliated LTM, effectively to "transfer" his registration to the affiliated LTM. In accordance with § 31.5(d), the sponsoring LTM should include such individual in the certification required thereunder. The LTM would be required to submit, within 60 days after the effective date of that section (which is the publication date on this Federal Register release), a Form 8-R on behalf of such individual. Section 31.5(d)(2), however, provides that a fingerprint card need not be filed on behalf of any such individual if that individual is currently registered as an AP of an FCM which is affiliated with the sponsoring LTM. Thus, APs of an FCM which seek to become registered as APs of an affiliated LTM would not have to submit a new fingerprint card in connection with such registration.

VII. Compliance Period for Existing LTM and APs of LTM

Sections 31.5 (c) and (d) of the Commission's regulations set forth the registration requirements and procedures for existing LTM and APs of LTM respectively, to enable those persons to continue in business after the effective date of these regulations. Section 31.5(c) requires that any person who is lawfully engaged in business as an LTM in accordance with the provisions of §§ 31.1 and 31.2 on the publication date of § 31.5 in the Federal Register must file with the Commission, within 60 days after the effective date of § 31.5(c), the following information: (1) An application to register a leverage commodity in accordance with the provisions of § 31.6; (2) an application for registration as an LTM in accordance with § 3.17; and (3) the documentation required by § 31.5(e). Section 31.5(e) specifies the documentation necessary to establish that an applicant is in compliance with the temporary moratoria on leverage transactions and requires that such documentation be submitted at the same time as the application for registration as an LTM. See discussion of § 3.15(e) *infra*. Compliance with § 31.5(c) will enable the applicant for registration as an LTM which has also complied with the procedures set forth in § 31.5(d) to continue in business pending a final registration determination by the Commission.

Section 31.5(d) provides that any person who is lawfully engaged in business as an LTM in accordance with §§ 31.1 and 31.2 on the date of publication of this section in the Federal

Register must, within 30 days after the effective date of § 31.5(d), file with the Commission the certification specified therein with respect to any associated persons associated with the LTM or, as may be appropriate, an affiliated FCM on the publication date of this section in the Federal Register. Such certification must be signed and dated by an appropriate person. The sponsoring LTM is required to certify that the individual who will be associated with the LTM as an AP was associated with the LTM or an affiliated FCM on the date of publication of this section in the Federal Register. The sponsor must also certify that none of those individuals have answered "Yes" to any of the questions in the Disciplinary History portion of the Form 8-R or is subject to a "statutory disqualification" as set forth in section 8a(2) of the Act. Within sixty days after the effective date of § 31.5(d), the AP and the sponsor must complete and the sponsor must file with the Commission a Form 8-R (including the "Sponsor's Certification"), the registration fee and a fingerprint card. As noted above, however, a fingerprint card need not be filed on behalf of any such individual if that individual is currently registered as an AP of an FCM which is affiliated with the sponsoring LTM. Section 31.5(d)(2).

In order to assist the Commission in the transfer of the registration of such APs from an affiliated FCM to the LTM, the Commission requests that, at the time that the filings pursuant to § 31.5(d) are made, the LTM provide the Commission with a "transfer list" which includes the names of all AP registrants which seek to have their registrations transferred from the affiliated FCM and the name of such FCM. An AP who is no longer sponsored by an affiliated FCM and whose registration is "transferred" to an LTM will thereafter be registered as an AP of that LTM as long as he remains associated with the LTM and the LTM will be fully responsible for the conduct of that AP as if the AP had been initially registered under the "sponsorship" of the LTM.

VIII. Demonstration of Compliance With the Temporary Moratoria on the Offer and Sale of Leverage Contracts

As indicated above, the Commission has determined to continue in effect for a time its regulatory moratoria on the entry of new firms into the business of offering and selling leverage contracts. The Commission is therefore adopting § 31.5(e) which establishes the criteria and procedures by which an applicant for registration as an LTM can demonstrate to the Commission that it is

¹⁸ 45 FR 80485, 80489 (December 5, 1980) (footnote omitted). See also 48 FR 35248, 35255 (August 3, 1983).

in compliance with the temporary moratoria set forth in §§ 31.1 and 31.2. Section 31.5(e) requires an LTM to submit to the Commission four separate types of documentation with respect to each leverage contract and commodity for which the applicant is seeking registration.

First, an LTM must submit a certified copy of the organizational documents required to be filed in the state, territory or possession of the United States in accordance with which laws the applicant was formed and a certificate of good standing therefor as of a date not more than 30 days prior to the date of submission. If the applicant is a partnership or sole proprietorship and no organizational filing is required under state law, the applicant must submit an opinion of counsel to that effect and must also provide the Commission with other evidence sufficient to demonstrate both the date of its formation and the continuation of the leverage business of such partnership or sole proprietorship. Section 31.5(e)(2)(i).

Second, the applicant must provide a customer list as of June 1, 1978 or February 2, 1979, as may be appropriate, for each leverage contract and commodity the applicant claims to have offered. Section 31.5(e)(2)(ii). In this connection, the Commission wishes to note that such customer lists, including all names, addresses and other personal information contained therein, generally will be considered to be nonpublic records under Part 145 of the Commission's regulations (17 CFR Part 145) and, subject to applicable law, will not be published or made available to any other person. See Section 8 of the Act and 17 CFR 145.5 (c), (d) and (f). Applicants should also be aware that they may file a petition for confidentiality in accordance with the provisions of Commission Rule 145.9 (17 CFR 145.9) with respect to such information or any other information submitted to the Commission.

Third, for each type of leverage contract or leverage commodity for which registration is sought the applicant must provide a copy of each different contract based on such proposed leverage commodity entered into or offered on or prior to June 1, 1978 or February 2, 1979, as may be appropriate. The contract must be accompanied by an affidavit from the customer whose signature appears on the contract attesting to the date of the leverage transaction or a statement as to why such an affidavit is unobtainable. Section 31.5(e)(2)(iii).

Finally, the applicant is required to submit an affidavit of an appropriate person on behalf of the applicant stating

the following: (a) That the applicant is in compliance with the temporary moratoria; (b) the nature of the applicant's business, including the percentage of that business it claims was leverage business with respect to each leverage commodity and leverage contract it claims to have offered as of June 1, 1978 or February 2, 1979, as may be appropriate; (c) the annual income generated from leverage transactions for each year since the applicant claims to have commenced a leverage business with respect to each leverage contract and leverage commodity offered by such applicant; (d) that upon request the applicant will make its books and records or financial ledgers for the 2-year period commencing one-year preceding the date set forth in either §§ 31.1 or 31.2, as may be appropriate, available for inspection at the regional office of the Commission nearest the principal place of business of the applicant; and (e) that all of the information provided to the Commission under § 31.5(e) is true and accurate. Section 31.5(e)(2)(iv).

IX. Registration of Leverage Commodities

As adopted, § 31.6 provides that the Commission will only register individual leverage commodities as defined in § 31.4(g). Section 31.4(g) sets forth the distinguishing characteristics of eligible leverage commodities. Because the Commission in not lifting its moratoria at this time, § 31.4(g) only specified characteristics for those commodities which were the subjects of leverage contracts before the effective date of the Commission's moratoria.

The Commission has decided to employ in the rules as adopted the term registration in response to several comments which noted the potential for confusion in the proposal's use of the term "designation"—a term of art heretofore restricted in the Commission's regulations applicable to contract markets. These commentors suggested that by applying a term so closely associated with the regulation of futures contracts to the regulation of leverage contracts, prospective leverage customers might erroneously ascribe some of the attributes of futures markets—including exchange self-regulation and open outcry trading to leverage contracts. Moreover, the Commission believes that use of the term "designation" should be restricted to contracts which meet certain uniform regulatory criteria, such as those contained in the Commission's Guideline No. 1, 17 CFR Part 5, Appendix A.

The registration of leverage commodities is a cornerstone of the Commission's approach to ensuring the integrity of the leverage contract and hence a key feature of customer protection. Registration helps to assure that leverage customers can realize the economic value of their contracts if they take delivery on them. As long as delivery on the leverage contracts is a viable alternative, discipline may be enforced on leverage transaction merchants' bid (repurchase) prices for leverage customers; an objective of the registration of leverage commodities is to assure that the transactions costs of taking delivery on the leverage commodity are not prohibitively high. In such cases, if the leverage transaction merchants' bid-ask spreads were to widen considerably, leverage customers should be able to realize any gains (or stop further losses) by taking delivery of the commodity. Furthermore, absent the safeguards embodied in the Commission's registration of leverage commodities, leverage contracts could potentially provide for delivery of commodities whose economic value could not be realized by leverage customers taking delivery which, in the Commission's view, could constitute fraud.

In the June 1, 1983 notice of proposed rulemaking, the Commission implicitly provided several requirements for registration including, *inter alia*, the requirement that the leverage commodity must be "readily salable in normal commercial or retail channels by leverage customers taking delivery on a leverage contract." Nonetheless, several commentors expressed confusion about the standards which will guide the Commission in registering leverage commodities. Accordingly, the Commission has clarified its proposed rules by setting forth explicitly in § 31.6(a) five conditions which must be met for a commodity to be registered with the Commission. These conditions must be met initially for registration and on a continuing basis thereafter.

In addition to fulfilling the definitional requirements set forth in § 31.4(g), to be registered as a leverage commodity with the Commission a commodity must be readily salable in normal commercial or retail channels by leverage customers electing to take delivery on the leverage contracts, and the terms and conditions of the leverage contracts offered on the commodity must be consistent with the Act and the Commission's regulations. Moreover, although the Commission is not at this time proposing to apply an economic purpose test as a registration criterion for leverage contracts on

individual leverage commodities, the sale or offer of sale of leverage contracts on the proposed leverage commodity must not be contrary to the public interest.

As discussed above, all leverage commodities must be separately registered with the Commission by the leverage transaction merchant seeking to sell leverage contracts on those leverage commodities; that is, an LTM proposing to sell leverage contracts where the deliverable units are 1,000 ounces and 2,000 ounces of silver must apply separately to register each leverage commodity. Concurrent applications for registration are permitted and may cross-reference one another. Moreover, as noted previously, more than one leverage contract can be sold pursuant to each such registration. Furthermore, the registration of a leverage commodity is specific to the leverage transaction merchant to whom registration is granted; that is, the registration of, for example, 1,000 ounces of silver as a leverage commodity by one leverage transaction merchant does not extend to any other leverage transaction merchant either automatically or by reference.

X. Application for Registration of Leverage Commodities

The Commission has not substantively modified its proposals regarding the procedures for registration of leverage commodities, although the final rules are, as noted, re-arranged and re-named from the earlier proposal. In accordance with § 31.6(b), an application for registration of a leverage commodity must, among other things: (1) Describe thoroughly the distinguishing characteristics of the leverage commodity and the cash, forward and futures markets for the commodity, (2) specify the commercial or retail cash price series as described above and justify its use with respect to the particular leverage commodity, (3) evaluate completely how the distinguishing characteristics of the commodity to be registered affect its salability in normal cash market channels; in other words, evaluate how easily the delivery unit may be resold by leverage customers taking delivery, and (4) describe the inspection and commodity certification procedures typically required of the commodity to be registered.

As noted earlier, the Commission will, however, require a leverage transaction merchant to provide copies of the leverage contract(s) which will be offered on each leverage commodity, and the Commission will not register a commodity if the terms and conditions

of such leverage contracts are not consistent with the Act and the Commission's regulations thereunder, or are otherwise contrary to the public interest. In examining the leverage contract terms and conditions, however, the Commission is not determining their individual merit aside from their consistency with the Act and the Commission's regulations. Accordingly, only a limited inference concerning the over-all merits of leverage contracts can be drawn from the fact of Commission registration of the leverage commodity.

The requirements regarding materials to be submitted in support of an application for registration of a leverage commodity are designed to ensure that the Commission is provided with the necessary information to determine whether a commodity meets the several standards for registration enumerated in § 31.6(a). These application requirements are similar in nature to those required for the designation of contract markets in futures. Compare, Commission guideline No. 1, 17 CFR Part 5, Appendix A. The Commission notes that the leverage transaction merchant bears the burden of providing adequate documentation of its compliance with the Commission's requirements for leverage commodity registration.

Upon application for registration of a leverage commodity the Commission staff will review the materials submitted by the leverage transaction merchant in accordance with § 31.6(b) and will recommend to the Commission either that the leverage commodity be registered or that registration be denied.¹⁹ Applications for leverage commodity registration may be remitted by the Commission or by its designee, the Director of the Division of Economics and Education, if the application is incomplete. The Commission anticipates that if service fees are charged for registration of leverage commodities resubmission of a modified application which previously has been remitted will not require the payment of an additional fee.

While several commentators stated their concern that registration of leverage commodities by the Commission might be time-consuming and advocated relatively short time limits for Commission consideration of an individual registration, the

Commission does not find this to be appropriate. The Commission does not have experience in registering leverage commodities nor does the industry have experience in complying with the application requirements for applying for registration. Accordingly, it is not possible to estimate accurately the time which may be required to process such applications. The Commission will process all applications for registration of leverage commodities in as timely a manner as is feasible, but it does anticipate possible delays in light of its limited resources, the large number of registration applications which may be submitted, and the industry's inexperience with Commission review procedures. Moreover, in light of the fact that eligible leverage transaction merchants may continue to engage in offering for sale and selling such contracts during this period, the possible hardships engendered by potential delays will be minimized.

Sections 31.6 (c) and (d) now specify the procedures to be followed by a leverage transaction merchant proposing to change the specifications of a leverage commodity registered with the Commission and sets forth the Commission's authority to disapprove, alter or amend such changes. A leverage transaction merchant must submit proposed changes to the commodity specifications or to the terms and conditions of the leverage contracts offered on a registered leverage commodity. Any such proposed changes must be accompanied by a detailed explanation of how the proposed changes to the commodity specifications or to the terms and conditions of the leverage contracts offered on a registered leverage commodity would affect the leverage commodity's continued ability to meet the standards set forth in § 31.6(a). The Commission would have forty-five days from receipt of the proposed change in which to notify the leverage transaction merchant of its intention to disapprove.

The Commission reserves the right to alter or amend the commodity specifications of the registered leverage commodity and the terms and conditions of the leverage contracts offered on registered leverage commodities. The authority parallels the Commission's authority with regard to futures contracts. It is anticipated that the exercise of such authority will be restricted to unforeseeable developments in the markets for leverage commodities, such as an act of a foreign government which might

¹⁹ Although the procedures for the denial, revocation and suspension of leverage commodity registration incorporate those procedures contained in Sections 6 and 6(a) of the Act, the Commission has not incorporated into these regulations the one-year limit on the period for review of applications for contract market designation. Accordingly, this time limit does not extend to the registration of leverage commodities.

adversely affect holders of leverage contracts on that commodity.²⁰

XI. Disclosure

The Commission's proposed regulations governing disclosure requirements were set forth in proposed § 31.11. As proposed, the Disclosure Document would contain, among other things, a section which lists and describes the principal specifications of the commodity deliverable on a leverage contract, the various fees charged for a leverage contract and the margin requirements, including: Initial, carrying and termination charges, and initial, minimum and maintenance margin requirements. Furthermore, as proposed, the Disclosure Document would indicate the cash price series which can be used to evaluate the price offered by the leverage transaction merchant and where such price information can be readily obtained.

In addition, the Disclosure Document would be required to contain an illustrative transaction that includes the calculation of a break-even price, which will indicate the change in price necessary, in absolute and in percentage terms, before a leverage customer can realize a profit on the leverage contract offered by that LTM.

The Commission also proposed to require that the leverage Disclosure Document include certain information which is currently required to be included in a commodity trading advisor's Disclosure Document. Such information relates to the business background of the firm and its principals, past performance information, and material criminal, civil or administrative litigation involving the firm and its principals.

As is the case for a commodity trading advisor, a leverage transaction merchant would be required to submit its Disclosure Document to the Commission 21 days prior to the date it intends to provide the document to a prospective leverage customer. The Commission would then review the document in a manner similar to the review it makes of a commodity trading advisor's Disclosure Document.

The majority of the commentators who addressed the proposed disclosure requirements supported the general concept of disclosure requirements for

LTMs. Many of those commentators, however, recommended alternatives or expressed opposition to specific features of the Commission's proposal. The main areas upon which the commentators focused their comments are discussed below.

A. Business and Related Disclosures

Several commentators raised objections to those portions of the Commission's proposal which would require LTMs to make disclosures similar to those required of CTAs, such as information as to the location of an LTM's records, its business background as well as that of its principals, performance information, whether its principals will purchase leverage contracts for their own account, material litigation with respect to the LTM, its principals or "leverage representatives" and similar information. The Disclosure Document is intended to provide protection for leverage customers—particularly those who are unsophisticated in financial matters—by ensuring that they are informed about material facts concerning leverage transactions and the firms with which they deal before committing their funds. A knowledge of the background and experience of the LTM and its individual principals is essential to a meaningful evaluation of the investment opportunity offered by those persons and the financial integrity of the principals to the leverage transaction, particularly where there is no clearing organization to stand behind the contract. Therefore, the Commission has determined to adopt those disclosure requirements pertaining to the business background of the LTM and its principals, information as to the location of the LTM's records, and whether the principals of the LTM intend to trade leverage contracts for their own account. Section 31.11(a) (4) and (5).

With respect to the proposed requirement to disclose any material administrative, civil and criminal actions within the five years preceding the date of the document, two of the commentators supported the requirement provided that it apply only to proceedings against the LTM and its principals in connection with the LTM's business. The Commission believes that there is merit to narrowing the scope of this requirement, but not to the extent suggested. Section 31.11(a)(6), therefore, has been amended to provide for the disclosure of any material administrative or civil action involving activity or conduct, or related to any statute, set forth in Section 8a (2) and (3) of the Act, or any material criminal action within the five years preceding

the date of the document against the LTM and any principal of the LTM. Thus, the Commission has eliminated from the final rules that portion of its proposal which would have required such disclosure with respect to the APs of an LTM. This change conforms this portion of the Commission's disclosure requirements for LTMs to those for CPOs and CTAs. The Commission notes that in this regard, Section 8a (2) and (3) of the Act set forth a system of "statutory disqualifications" which enumerate the most important bases for finding applicants or registrants unfit for registration and provide the Commission with the authority, in appropriate cases, to deny, condition, restrict or suspend the registration of a registrant. In addition, Section 4k(5) of the Act requires a registrant to notify the Commission if any person registered or who has applied for registration as an AP of the applicant is subject to a "Statutory disqualification" as set forth in Section 8a(2) of the Act.²¹ The Commission believes that these statutory requirements will adequately ensure the continued fitness of all AP registrants and that it is therefore unnecessary to include such information in the Disclosure Document. The Commission believes that these changes will provide more meaningful and relevant disclosure to prospective leverage customers.

Proposed § 31.11(a)(5) would have required that LTMs disclose the net gain or loss for all customers on leverage contracts offset or liquidated for the preceding year and the preceding three years. Those persons who commented on this portion of the Commission's proposal expressed the view that compliance with this requirement would be extremely difficult because no such records are currently retained by LTMs. One commentator, however, strongly supported proposed § 31.11(a)(5), although the commentator noted the difficulty which certain LTMs may have in reconstructing such information with respect to a period prior to the effective date of the regulations. This commentator therefore suggested that the requirement be modified to relieve LTMs of the duty to disclose such information for the period prior to the effective date of the rule.

The Commission has reconsidered this portion of the proposal and has determined not to adopt proposed § 31.11(a)(5) at this time. Although the Commission believes that it clearly has

²⁰ For example, a decision by a foreign government to refuse to recognize fully its previously issued currency as legal tender, to restrict trading in such currency, or to fix an exchange rate might be occasions for Commission action regarding the specification of leverage commodities which are based on that foreign currency.

²¹ The Commission recently has proposed rules to implement these provisions of the Act. 48 FR 50554 (November 2, 1983).

the authority to impose such a disclosure requirement, the Commission is also aware of the difficulty certain LTM's may have in compiling such information for the period prior to the effective date of the rules. In addition, the Commission notes that the break-even price which is required to be contained in the LTM's Disclosure Document may provide more meaningful information to the leverage customer than the disclosure of past performance. This is because any past performance compilation would be based, in part, upon the trading decisions of individual leverage customers which may be independent of the particular recommendations of either the LTM or its APs. In the case of CPOs and CTAs, on the other hand, past performance relates solely to the track record of the individual registrant. Nevertheless, the Commission wishes to emphasize that it has not previously regulated leverage transactions, and therefore intends to monitor closely the appropriateness of the disclosure requirements adopted and to make further adjustments including requiring performance disclosure as necessary.

Finally, the Commission has added a new paragraph to the bold-faced statement which is required to be contained in each Disclosure Document. Section 31.11(a)(1). The Commission believes that the addition of this new paragraph will further enhance the usefulness of the Disclosure Document to the prospective customer by explaining a number of important facts. First, the Disclosure Document provides a concise explanation of the circumstances necessary for a leverage customer to realize value from the contract. In this connection, the Disclosure Document explains that in order to realize value from the contract it will be necessary for one of two things to occur: The LTM which sold the leverage contract, and which has the obligation to do so, must agree to repurchase the contract or the leverage customer must pay the LTM the full purchase price for the leverage contract, take delivery of the leverage commodity, and then resell the leverage commodity, possibly at a lower price than the price paid to purchase it from the LTM. The Disclosure Document also makes clear that there is no secondary market for leverage contracts and that the only alternative available to a leverage customer who elects not to take delivery is to resell the contract to the LTM from which it was purchased. Finally, the document informs prospective customers that the LTM is under no obligation to offer to repurchase a

leverage contract at all times, although the LTM must offer to repurchase any previously sold leverage contract at any time during which it is offering to sell any leverage contracts on the same leverage commodity.²² In this regard, the Disclosure Document also makes clear that the LTM has complete discretion in setting the price and any charges related thereto at which it will repurchase a leverage contract. As discussed in detail below, however, the ability of the leverage customer to take delivery and resell the commodity in the retail market may keep the LTM's bid-ask spread from becoming too wide.²³

B. Filing of Initial and Revised Disclosure Documents; Other Matters

Proposed § 31.11(b) would have provided that if an LTM's Disclosure Document becomes inaccurate it must be amended within twenty-one days and would prohibit its use until corrected. Paragraph (e) of proposed § 31.11 would have required that the revised Disclosure Document be submitted to the Commission at least twenty-one days prior to its use. It was contended by certain commentators that read together these two filing requirements would effectively preclude an LTM from engaging in any transactions for at least twenty-one days after any material changes are made in the Disclosure Document.

The Commission has considered these comments carefully and is adopting rules which the Commission believes provide for the correction of deficiencies and inaccuracies in the Disclosure Document without unnecessarily interrupting the business of an LTM.

As adopted by the Commission, § 31.11(b)(1) provides that if the LTM knows or should know that the Disclosure Document is materially inaccurate or incomplete in any respect, it must correct that defect and distribute the correction to all existing leverage customers within 30 calendar days of the date upon which the LTM first knows or has reason to know of the defect. Similarly, the LTM must correct the document used to solicit each

prospective leverage customer prior to opening an account for such person. The LTM may furnish the correction by way of an amended statement, a sticker on the statement or other similar means thereby obviating the need to reprint a new document. Moreover, the Commission notes that granting an LTM 30 calendar days to distribute the correction will enable LTM's to include any such correction with the mailing of the monthly account statement (See § 31.15(b)). Section 31.11(b)(2) prohibits an LTM from using the document until such correction is made.

Section 31.11(c) requires that the LTM must date each Disclosure Document and each amendment thereof as of the date it is first used. Section 31.11(d) requires that all information contained in the Disclosure Document must be current as of the date of the document.

Section 31.11(e) sets forth the requirements for the filing of an LTM's initial and revised Disclosure Documents with the Commission. Section 31.11(e)(1) provides that, subject to § 31.6(c), the LTM must file with the Commission three copies of the Document for each leverage contract that it offers or intends to offer not less than twenty-one days prior to the date the LTM first intends to deliver the Document to a prospective leverage customer.

Section 31.11(e)(2) provides that, subject to §§ 31.6(c) and 31.11(h), the LTM must file with the Commission three copies of all subsequent amendments to the Disclosure Document within 30 days of the date upon which the LTM first knows or has reason to know of the defect requiring the amendment. Section 31.11(h) requires that an LTM must transmit a notification to each leverage customer within 24 hours of making any change not otherwise permitted under the contract terms set forth in § 31.11(a)(2) by first class mail or other equivalent means of communication. Section 31.11(h) also requires an LTM to transmit a notification to each leverage customer of any change in the interest rates charged by the LTM within 24 hours of each such change. Thus, unless leverage customers were advised in the Disclosure Document that a particular term or condition of the leverage contract was subject to change, leverage customers will receive immediate notice of such change and have an opportunity to decide whether to close out the transaction.

Section 31.11(i) provides that a person soliciting or accepting an order for a leverage contract is not required to deliver a Disclosure Document to a

²² Section 31.10 sets forth the LTM's obligations regarding repurchase. The proposal would have required a guaranteed buy-back at all times. This has been changed in the final rules to require the LTM to offer to repurchase any previously-sold leverage contract at any time during which it is offering to sell any leverage contracts on the same leverage commodity. See discussion of § 31.10, *infra*.

²³ In addition to the changes made elsewhere in the required bold-faced statement on the first page of the Disclosure Document, the Commission has revised the specified wording to reflect the changes it has made to the provision regarding a leverage customer's right to rescind a leverage contract. See § 31.11(b) and the discussion thereof, *infra*.

leverage customer if such document has been previously provided. The leverage customer, however, has the right to request a copy of the LTM's Disclosure Document at any time and, in addition, the LTM is required to furnish a new Disclosure Document to its leverage customers if the previously delivered document has become outdated or materially inaccurate.

As proposed, the Commission will require pursuant to § 31.11(a)(2) that the leverage transaction merchant describe in the Disclosure Document each leverage commodity covered by the Disclosure Document. The description must set forth the distinguishing characteristics of each leverage commodity which are listed in the definition of a leverage commodity. See § 31.4(g). Additionally, as proposed, the terms and conditions of each leverage contract covered by the disclosure statement, including the duration of the contracts, the charges prevailing at the time the disclosure statement is prepared, and descriptions of the bid and ask prices must be set forth in the Disclosure Document.

The Commission is also adopting, as proposed, § 31.11(a)(3) which requires the inclusion in the Disclosure Document of an illustrative example of a leverage transaction with the calculation of a break-even price, set forth in a format specified by the Commission. Several commentors stated that this requirement was essentially unnecessary, especially in light of the other disclosures required to be made to prospective leverage customers.²⁴ The Commission, however, believes that the illustrative example will aid prospective leverage customers both in better understanding the nature of their prospective investments and in determining whether such an investment is appropriate for them by setting forth clearly what charges and fees are associated with a leverage contract.

One commentor, a firm claiming to be engaged in the business of selling leverage contracts, recommended that the Commission require a leverage

transaction merchant to disclose to a prospective leverage customer all fees before effecting a transaction. Accordingly, the Commission is adopting its § 31.11(j), as proposed.

XII. Confirmation Statement

As proposed, the Commission is requiring that leverage transaction merchants send a statement confirming the transaction to each leverage customer within twenty-four hours of entry into the contract. The confirmation statement must be in a form specified by the Commission and must include information to yield a break-even price, with a calculation thereof.²⁵ The confirmation statement must inform leverage customers, in wording specified by the Commission, of their right to rescind their first leverage transaction.

XIII. Rescission

The Commission's proposal to provide to all leverage customers the unqualified right to rescind their leverage contracts within three days of the receipt of the confirmation statement elicited extensive critical comment. Several commentors stated their concern that, in light of the high probability of significant short-term price movements typically experienced by the commodities which were proposed to be subjects of leverage contracts, an unqualified three-day right to rescind leverage contracts would provide customers costless short-term options on the price of the commodity. Some commentors, including several firms claiming to be in the business of selling leverage contracts, asserted that the Commission's proposal, if adopted, would act to discourage leverage transaction merchants from covering their obligations to customers promptly upon opening new leverage positions. One commentor stated that any concerns about informing leverage customers or prospective leverage customers of the nature of the risks they are incurring by purchasing a leverage contract are addressed adequately by the disclosures to prospective leverage customers required in § 31.11 of the regulations.

²⁵ The proposed regulations have been revised to require explicitly that the leverage transaction merchant calculate the break-even price. Minor amendments have been made to the Commission's specified form of the illustrative example of the transaction in the Disclosure Document in order to make the break-even prices clearer to leverage customers and prospective leverage customers. The Commission notes that the one-year term used in illustrating the carrying charges applicable to a leverage contract was chosen because it is readily comparable to other investment yields. The specified form of the Confirmation Statement accompanies this notice as an attachment.

Nevertheless, in light of its past experiences with instruments traded outside of the self-regulatory environment of the exchanges, the Commission remains concerned that leverage customers be adequately protected from high pressure sales tactics. The Commission believes that prospective leverage customers who are unfamiliar with leverage contracts should be provided with a three-day period in which to rescind their first purchases of a leverage contract so that they are afforded a limited opportunity to reflect dispassionately on their actual purchases.²⁶ The leverage customer's right to rescind his or her first purchase of a leverage contract is intended by the Commission to safeguard prospective customers from becoming committed to an investment scheme that, until receipt of the first confirmation statement which includes the actual breakeven calculation, is not fully understood, or which upon further reflection after receipt of the confirmation, appears to be inappropriate to the individual's circumstances. As adopted, this right of rescission is available only for a customer's first purchase from each particular LTM and is unavailable to those customers who have engaged in a prior leverage transaction with that particular LTM because, having previously received a Confirmation Statement, such leverage customers are assumed to have a sufficient understanding of the transactions they are undertaking.²⁷

The Commission is persuaded, however, that even an unlimited right to rescission which is applicable only to first-time leverage customers might have had the unintended effect of creating a free option on leverage commodity price changes. Moreover, the unlimited right

²⁶ The rescission period of three business days is counted from the day on which the customer receives the confirmation statement to the close of business on the third day. For example, the prospective first-time leverage customer who receives a confirmation statement on Monday may rescind, at any time until the close of business Wednesday, all of the contracts purchased on the first day the customer purchased a contract.

In this regard the Commission notes that in the event of an interruption in the operations of a particular LTM so that the LTM is not able to receive telephone or telegram rescissions, the rescission period should be extended so that each customer has had three full business days in which to rescind.

²⁷ For purposes of identifying a leverage customer's right to rescind, the Commission considers all leverage contracts purchased by a leverage customer on the same day as the purchase of the first contract to be included in the first purchase and therefore subject to rescission. However, the customer may not use the right of rescission to attempt to fine-tune a position; if rescission is elected, all contracts which are eligible for rescission must be rescinded.

²⁴ At least one commentor stated that the required provision of a break-even price should be replaced with required disclosure of current fees and charges. The Commission's specified format for the illustrative example makes clear that the charges and ask price of a leverage contract must be current when the Disclosure Document is prepared. The format of the break-even calculation uses these to indicate how much the commodity's price must rise before the purchase will begin to be profitable. The break-even calculation included as part of the confirmation statement, however, is required to disclose the fees and charges which the leverage customer is actually paying at that time. The format specified by the Commission for the break-even calculation in the Disclosure Document accompanies this notice as an attachment.

to rescind inadvertently might have exposed those leverage customers to greater risk by discouraging leverage transaction merchants from fully and promptly covering their obligations. The Commission, therefore, is adopting in § 31.23 a qualified right of rescission which protects the first-time customer from fees and commissions but which does not protect such leverage customers against losses caused by the actual market decline of prices.

Actual losses are calculated by subtracting the ask price of the leverage commodity at the time of the customer's rescission from the ask price at which the leverage commodity was purchased and which appears on this confirmation. The leverage transaction merchant, however, may not assess the prospective leverage customer any account-related charges, such as initiation, termination or carrying charges on rescinded contracts. The leverage transaction merchant must refund all monies received, except for the amount of the price decline, within 24 hours of notice of rescission.

Pursuant to § 31.23, as adopted, the leverage customer may rescind such contracts by telegram or by telephone. If the rescission is effected by telephone, the customer must immediately affirm the rescission with the leverage transaction merchant by telegram, certified letter or an at least equivalent means designed to create a written record in the customer's possession to evidence his act of rescission.²⁸ Communications regarding rescission between the customer and AP shall be deemed as notification to the LTM.

The Commission believes that the rescission provision, as adopted, will serve to protect unsophisticated investors from high-pressure sales tactics while not exposing LTMs to undue financial risks arising from market circumstances beyond the leverage transaction merchant's control.

XIV. Recordkeeping and Reporting to Customers

The provisions for recordkeeping and reporting to customers, which were contained in proposed §§ 31.14 and 31.15, parallel those for FCMs contained in §§ 1.31-1.37 of the Commission's

regulations, with appropriate modifications in terminology.

The Commission notes that the commentors which addressed proposed § 31.14 generally supported the concept of recordkeeping requirements for LTMs. Certain commentors, however, did offer specific suggestions regarding certain aspects of the recordkeeping requirements. For example, one commentor suggested that § 31.14(b) should be revised to provide that an LTM must maintain only those required records which relate to its business as an LTM. The Commission's proposal would have required an LTM to maintain such records for all transactions entered into by it, including leverage contracts, cash commodity purchases, commodity futures and commodity options.

The Commission generally has determined to adopt § 31.14(b)(1) as proposed. The Commission, however, has specifically included loan agreements among the records required to be maintained by an LTM pursuant to § 31.14(b)(1). The Commission believes that all the information required to be maintained under § 31.14(b) is relevant to a person's business as an LTM and that that section only makes mandatory what the Commission believes to be good business practice. In this connection and in response to the concerns of another commentor, the Commission has deferred the effective date of these rules for a sufficient period of time as stated in this Federal Register release to enable an LTM to rework its current reports and systems to comply with the Commission's requirements.

Proposed § 31.14(c)(1) would have required an LTM to prepare and keep a financial ledger which would show separately for each leverage customer's account all charges against and credits to such account, including all credits and charges resulting from gains and losses on closed leverage contracts, and all funds deposited, withdrawn or transferred from the customer's account. The Commission has slightly modified this provision in order to clarify the information required to be maintained by the LTM. Under § 31.14(c)(1), as adopted, the financial ledger must show at a minimum for each leverage customer's account, all credits for purchases and repurchases by the leverage transaction merchant of leverage contracts (including the corresponding transaction identification number) and all funds transferred, deposited, or withdrawn from the leverage customer's account.

Proposed § 31.14(c)(2) would have required each LTM to maintain a record

of transactions which would show separately for each leverage customer's account certain specified information. Although the Commission has determined to adopt a requirement that LTMs maintain such a record, the Commission has modified the language in § 31.14(c)(2) in order to provide a more meaningful and useful record. As adopted, § 31.14(c)(2) requires each LTM to maintain a record of transactions which will show separately for each customer's account in chronological sequence all leverage contracts entered into with such customer. The record must also show for each transaction the date of the transaction, the commodity involved, a transaction identification number, the maturity date, the number of contracts, whether the transaction represents an initial purchase, a closing transaction or a delivery and, if a closing transaction, the total gain or loss realized.

Proposed § 31.14(c)(3) would have required each LTM to maintain a daily record or journal showing separately for each customer by type of leverage commodity and contract "the total charges (initial, carrying and termination, as appropriate) for each transaction involving a leverage contract, and the amount of leverage customer funds deposited to margin the leverage contract." In this regard, one commentor expressed opposition to any requirement that an LTM show the carrying charges imposed on a customer's account on a daily basis.

The Commission has reconsidered the necessity of that portion of the proposed rule and has determined to delete the above-cited language from the final rule. The Commission believes that this step will alleviate any unnecessary recordkeeping burden on LTMs without diminishing customer protection, particularly in view of the fact that such information is already required to be maintained in the LTM's financial ledger (§ 31.14(c)(1)) and transaction record (§ 31.14(c)(2)) and is communicated to the customer in the break-even calculation. Section 31.14(c)(3) also has been amended to require that the daily record of journal must show separately for each leverage commodity, complete details of all leverage transactions executed on that day, including the person for whom such transaction was made, the leverage contract involved, the number of leverage contracts, the transaction identification number, whether the transaction was an initial purchase, liquidating transaction or delivery, and the total value of the initial purchase or liquidating transaction.

²⁸ The Commission notes that rescission is effected by the telephone communication alone. The subsequent written affirmation of the rescission is intended by the Commission solely as a protection to the customer by providing the customer with written evidence of the rescission. Thus, the time of rescission is calculated from the time of the telephone communication, and the LTM may not ignore a telephone rescission in the event the follow-up written affirmation does not reach the LTM.

The Commission has also made a minor change to § 31.14(c)(6) to require that where reproductions on microfilm for records required by § 31.14(c) (1) and (2) are substituted for hard copy, the person required to keep such records must be ready at all times to provide, and immediately provide at such time and place as required by the Commission, at the expense of such person, reproduced copies which show the records as specified in § 31.14(c) (1) and (2). The Commission, any designated self-regulatory organization and the Department of Justice are authorized to request such records pursuant to § 31.14(c)(6). The Commission notes that this requirement is similar to the general recordkeeping requirement for FCMs and introducing brokers set forth in § 1.31. 17 CFR 1.31.

The Commission also has made certain changes to § 31.14(d) which the Commission believes will simplify compliance and eliminate any unnecessary recordkeeping requirements. As adopted, § 31.14(d) requires each LTM to prepare, as of the close of business each day, a listing of all open leverage contracts carried for leverage customers. Such listing shall be by leverage commodity and contract and shall include certain specified information set forth in § 31.14(d) (1)-(6). In this connection, the requirement to maintain certain of the information set forth in proposed § 31.14(d) (6) through (8) has been omitted from the final rule as such information is already required to be maintained pursuant to § 31.14(c)(1).

The Commission has adopted § 31.15, which relates to the purchase and sale statement and the monthly statement which must be furnished by an LTM to each leverage customer, in essentially the form proposed, with certain minor, technical word changes. The Commission has also added to proposed § 31.15(b) a requirement that an LTM's monthly statement to a leverage customer contain the following bold-faced legend in at least ten-point type: IF YOU BELIEVE YOUR MONTHLY STATEMENT IS INACCURATE YOU SHOULD PROMPTLY CONTACT (name of LTM) AT (telephone number). Each LTM must list on each monthly statement furnished to a leverage customer the name and telephone number of the LTM so that leverage customer can contact the LTM about anything in the monthly statement which the leverage customer believes to be incorrect or which the leverage customer does not understand. The Commission believes that this provision only makes mandatory what the

Commission believes to be good business practice. The Commission further believes that this provision will enable leverage customers and LTMs to rectify quickly any minor misunderstandings or errors.

XV. Financial Requirements for Leverage Transaction Merchants

A. Principal Revisions to Proposed Rules

The Commission's proposed financial requirements for LTMs were of four types: (1) Minimum adjusted net capital and related reporting requirements (including a new financial reporting form, Form 2-FR); (2) financial early warning requirements; (3) restrictions on permissible cover for leverage contracts; and (4) segregation of leverage customer funds. The Commission proposed a minimum adjusted net capital requirement for LTMs of \$4,000,000 plus 10 percent of the market value of the physical commodities subject to uncovered leverage contracts entered into by the LTM. The early warning level of adjusted net capital for LTMs was proposed to be 150 percent of the minimum amount, as is the case for FCMs, which would have required an LTM to maintain at least \$6,000,000 of adjusted net capital to remain above the early warning level and to avoid the concomitant monthly reporting requirements.

The proposed rules did not require an LTM to cover any of its obligations on leverage contracts. The proposed rules, however, did describe permitted cover. As such they would have permitted as cover only unencumbered inventory and futures contracts involving the same commodity subject to the leverage contract. No more than 50 percent of an LTM's total obligation on leverage contracts could be covered by futures contracts. The Commission further proposed that an LTM be required at all times to segregate 25 percent of the market value of commodities underlying outstanding leverage contracts entered into by that LTM. That proposal would have required an LTM either to obtain a 25 percent down payment from its customer, or to put its own funds into segregation to meet the 25 percent requirement. The Commission further proposed that an LTM cease doing business as an LTM if it became undersegregated.

The Commission has carefully considered the comments upon the financial requirements for LTMs and has also undertaken its own review of its proposals. As a result, and for the reasons more fully articulated herein, the Commission has determined to make

the following revisions to the proposed financial requirements for LTMs:

1. The minimum adjusted net capital requirement for LTMs will be \$2,500,000, plus 20 percent of the market value of the physical commodities subject to uncovered leverage contracts, instead of \$4,000,000, plus 10 percent of such market value;

2. The financial early warning level of adjusted net capital for LTMs will be 120 percent, instead of 150 percent, of the minimum amount; the combination of this change and the change referred to in item #1 above reduces the minimum dollar amount of the financial early warning requirement in half, from \$6,000,000 to \$3,000,000;

3. Instead of merely restricting forms of cover, the cover requirement has been restated in a positive way. An LTM will now be required to cover 90 percent of its obligations on leverage contracts. Twenty-five percent of these obligations must be covered by physical commodities. In addition to what was originally proposed to be permitted as cover, in-the-money exchange-traded commodity options and encumbered warehouse receipts may be used, provided that, with respect to warehouse receipts, the balance of the principal and accrued interest on any loan against such receipts does not exceed 70 percent of the current market value of the underlying commodity. In addition, ownership of, or futures contracts on, gold or silver bullion will be permitted as cover in the case of a leverage contract involving bulk gold coins or bulk silver coins, respectively, and vice versa; and

4. The proposed 25 percent segregation requirement has not been adopted, nor has the proposal that an LTM cease doing business as an LTM if it becomes undersegregated. An LTM will have to cease doing business as an LTM, however, if its cover of leverage contracts falls below 90 percent of its obligations under such contracts or if the mix of cover is improper. Moreover, an LTM must notify the Commission if it becomes undersegregated.²⁹

The Commission wishes to emphasize that the Commission will monitor closely the appropriateness of these financial, cover and segregation requirements for LTMs and make adjustments as necessary.

B. Minimum Adjusted Net Capital Requirement

The minimum adjusted net capital requirement for LTMs is \$2,500,000 plus

²⁹ A number of commentators suggested that the proposed 25 percent segregation rule was a disguised margin requirement and that the Commission had no statutory authority to set minimum margins on leverage contracts. Although the Commission has chosen not to adopt a minimum segregation requirement at this time, the Commission disagrees with this assertion. Under section 19 of the Act, the Commission has plenary authority to regulate leverage transactions, including the authority to adopt regulations "designed to ensure the financial solvency" of such transactions. Such authority, therefore, includes the authority to set minimum down payments for leverage contracts.

20 percent of the market value of the physical commodities subject to uncovered leverage contracts, rather than the proposed \$4,000,000 plus 10 percent of such market value. The market value of the physical commodities subject to uncovered leverage contracts must be computed by using the widely accepted and disseminated commercial or retail cash price series submitted with the LTM's application for registration or each particular leverage commodity in accordance with § 31.6 or such other commercial or retail cash price series approved by the Commission. Section 31.9(a).

One commentor specifically endorsed the Commission's proposed minimum financial requirement for LTMs, and two commodity exchanges which commented on the proposal stated that the requirement should be higher. The majority of commentors who addressed the proposed minimum financial requirement for LTMs, however, expressed opposition to the proposal. These commentors suggested several alternatives as a minimum financial requirement, most of which favored a lower minimum dollar amount of required adjusted net capital than the proposed \$4,000,000 with a greater emphasis on the amount of an LTM's obligations under leverage contracts.³⁰ Also, several commentors suggested that an LTM be required to cover all or almost all of such obligations.

In adopting minimum financial requirements for LTMs, the Commission has endeavored to strike a balance between the comments received favoring more limited capital requirements and its congressional mandate to attempt to ensure the financial solvency of leverage transactions, which are transactions between principals. The minimum dollar amount of required net capital has effectively been reduced by half, the required amount of cover has been increased substantially from zero to 90 percent, and the amount of adjusted net capital which must be maintained in addition to the minimum dollar amount because of uncovered leverage contracts has been increased from 10 percent to 20

percent of the market value of the physical commodities subject to such contracts to conform it to other existing requirements.³¹

Although the Commission is lowering the required minimum dollar amount of adjusted net capital for LTMs from its previous proposal and adding a cover requirement which reflects the LTM's performance exposure, the Commission remains convinced that the financial requirements for an LTM must be substantially higher than those for an FCM.³² The leverage market is essentially a principals' market, and the purchaser of a leverage contract is solely dependent on the LTM for performance on the contract. Because leverage contracts are not traded on boards of trade designated as contract markets by the Commission, there is no clearing organization to take the other side of every trade, no FCM guarantee of variation margin to the clearing organization and no clearing organization guaranty fund and assessment power; nor is there any established secondary market for leverage contracts.

Because the LTM takes the other side of every leverage contract entered into by a leverage customer and because the LTM is the sole guarantor of performance on the leverage contract, an LTM may properly be viewed as comparable to the clearing organization of a contract market. Each contract market clearing organization maintains a guaranty fund which is intended to protect the clearing organization from being unable to meet its obligations in the event that a clearing member defaults on its obligations to the clearing organization. These funds, to which each clearing member contributes generally, total in the aggregate well in excess of \$2,500,000.³³ Certain contract

³¹ The 20 percent requirement has been adopted as it is consistent with the safety factor charge which an FCM must apply to its net capital when valuing uncovered inventory. A number of commentors suggested this essentially conforming change.

³² Congress has also recognized this. Indeed, in proposing the amendments to section 19 of the Act directing the Commission to promulgate regulations governing leverage transactions, which amendments were adopted by Congress essentially as proposed, Congressman Glickman stated: "I think the CFTC has to set regulatory standards and high net capital requirements to keep bad operators out of business." Excerpt from Unofficial Transcript of Mark-Up Session, Subcommittee on Conservation, Credit and Rural Development, House Committee on Agriculture, at 59, April 1, 1982, with the permission of Congressman Dan Glickman.

³³ The guaranty funds of seven of the ten contract market clearing organizations exceed \$2,500,000, and those guaranty funds range from approximately \$4,300,000 to in excess of \$80,000,000. The three guaranty funds which are less than \$2,500,000 are the guaranty funds for three of the four smallest

market clearing organizations also have the power to assess their clearing members for funds in addition to their general guaranty fund contribution. The typical clearing organization rule permits an assessment of up to \$10,000,000 per member per 10-day cycle if the guaranty fund is insufficient to satisfy the obligations of a defaulting member. In addition to the required deposits which clearing members of contract markets must make to the clearing organizations, such firms also have capital requirements in excess of Commission and contract market minimums for non-clearing FCMs.³⁴ In view of the foregoing, the Commission believes that a \$2,500,000 minimum adjusted net capital requirement for an LTM is appropriate.

Moreover, at the present time, there is no self-regulatory organization registered with the Commission that has responsibility for supervising leverage transactions or the financial condition of LTMs. The Commission emphasizes that if an LTM were to join the existing registered futures association, the National Futures Association, or any other such association which may be established, the LTM's minimum financial requirement or its minimum cover requirement would not necessarily be lowered. The Commission further notes, however, that §§ 31.9(a)(2) and 31.8(d) provide that an LTM which is a member of a designated self-regulatory organization ("DSRO") can comply with the Commission's minimum financial and cover requirements, respectively, if it complies with the DSRO's requirements in those areas and the DSRO's requirements have been approved by the Commission. The Commission has included references to a DSRO in §§ 31.7 (financial early warning system) and 31.13 (financial reporting) to provide for the possibility of an LTM becoming a member of a DSRO.

C. Financial Early Warning System

The financial early warning level of adjusted net capital will be 120 percent

contract markets in terms of volume of contracts traded. In all, the guaranty funds for the contract markets amount to more than \$170,000,000.

³⁴ The Commission also notes that it will not have as much information about the financial condition of LTMs as contract market clearing organizations have about their clearing members. Such information is primarily developed from the pay and collect data that is generated by the clearing organizations on a daily basis as a result of price changes in open positions. The review of pay and collect information provides a good indication of potential problems in a firm, which can arise at those firms which are required to make large or repeated payments to the clearing organization due to adverse market movements.

³⁰ Two commentors proposed that LTMs be subject to a net worth rather than a net capital requirement. Net worth is a measure of the shareholders' interest in an entity without regard to the liquidity of the entity's assets. Net capital, on the other hand, is a measure of the financial liquidity of the entity's assets *i.e.*, the ability of the entity to convert assets to cash in order to meet currently maturing obligations. Because the Commission's concern is that an LTM be able to meet its currently maturing obligations, the Commission has concluded that a net capital requirement is most appropriate for LTMs.

of the minimum amount required, rather than the 150 percent level proposed. A separate rule, § 31.7, sets forth the early warning system for LTM's, which is patterned after, and incorporates by reference certain provisions of, the early warning system for FCM's which is contained in § 1.12. Section 31.7 also requires an LTM to give notice to the Commission if the LTM becomes undersegregated. (In the Commission's proposal, the early warning system for LTM's was contained in paragraph (a)(14) of § 31.9.)

The Commission also wishes to point out that it has revised § 1.12(f) so that when a clearing organization or a futures commission merchant determines that, because of the LTM's failure to meet a call for margin or to make other required deposits, any position which it is carrying for an LTM must be liquidated immediately or transferred immediately, or that the trading of any account of an LTM shall be for purposes of liquidation only, the clearing organization or futures commission merchant must give telegraphic notice of such a determination to the principal office of the Commission in Washington, D.C. within 24 hours. This is consistent with the treatment of positions and accounts of FCM's under § 1.12(f). Under the Commission's proposed regulations for certain leverage transactions the LTM itself would have been responsible for giving the telegraphic notice referred to in this paragraph. The latter proposal is not being adopted.

D. Cover of Leverage Contracts

As noted above, several commentors suggested that an LTM be required to cover all or almost all of its obligations under leverage contracts. The Commission is requiring an LTM to cover 90 percent of its total obligations on leverage contracts. Moreover it is further requiring that a minimum of 25 percent of an LTM's total obligations on leverage contracts be covered by physical commodities.

Certain commentors further suggested that, in addition to the types of cover which would have been permitted under the Commission's proposed rules, *i.e.*, unencumbered inventory and futures contracts involving the same commodity as the leverage contracts, an LTM also should be permitted to use as cover commercial forward contracts, "like-kind" commodities, encumbered inventory and Commission-regulated commodity options. The Commission has determined to permit the limited use of encumbered warehouse receipts which are also collateral for loans provided that the balance of any

principal and accrued interest does not exceed 70 percent of the current market value of the commodities underlying the receipts. In addition, ownership of, or a futures contract on, gold bullion may be considered as cover in the case of a leverage contract involving bulk gold coins, and vice versa (silver bullion and bulk silver coins would be treated in the same manner). Further, exchange-traded commodity options which are "in the money" (that is, the value of the actual commodity or futures contract which is the subject of such an option is more than the value of the underlying commodity based on the strike price of the option) also may be used as cover for leverage contracts involving identical commodities. Otherwise, the types of permissible cover would be the same as those proposed.

As noted, the Commission has determined to permit the use of encumbered warehouse receipts as cover under certain conditions. The Commission notes that a requirement that all warehouse receipts used as cover be unencumbered would result in few, if any, LTM's having the financial ability to cover more than 25 percent of their contract obligations by physical inventory, the minimum allowed under these regulations. As discussed below, the Commission believes that physical inventory represents ideal cover for leverage contracts and, therefore, has concluded that the use of such cover should be encouraged. By permitting the use of encumbered warehouse receipts to the extent described above, LTM's will have the opportunity to cover a greater percentage of their contract obligations with physical inventory. Of course, permitting the use of encumbered warehouse receipts as cover is consistent with the use of futures contracts which are purchased on margin. If the value of the receipts goes up there is no added exposure; if it goes down the value of the customer's interest in the leverage contract also diminishes. If the customer elects delivery, the customer must pay the balance due, so the LTM should not be unduly exposed by virtue of this change in what is deemed to be permissible cover, which is primarily intended to assure performance in any event.

LTM's which use such warehouse receipts as collateral for loans must maintain strict records of the details of such loans in accordance with the provisions of § 31.8(d). These records are subject to audit by the Commission. Also, as discussed more fully below, segregated funds may not be used to purchase encumbered warehouse receipts. Only unencumbered

warehouse receipts are proper investments of segregated funds. Cover provides customer protection with respect to ongoing performance, segregation provides protection in liquidation. Any security interest in segregated funds would destroy their character as segregated funds.

The commentors who argued for permitting commercial forward contracts to be used as cover for leverage contracts stated that this should be allowed, provided that standards were imposed which would give reasonable assurance that the party obligated to deliver on the forward contract would fulfill its obligation. The Commission does not believe that general standards can be imposed which are sufficient to provide such assurance or that either the Commission or any self-regulatory organization would have sufficient time and audit staff to review adequately compliance with such standards by any party which is not subject to the Commission's regulatory authority.

With respect to the suggestions that cover also include the use of "like-kind" commodities, most of those suggestions referred to the use of gold bullion to cover a leverage contract in bulk gold coins, or vice versa. There were also certain commentors who suggested that any commodity which tends to track the price movements of the commodity subject to the leverage contract be permitted as cover. The Commission believes that since the metallic content of bulk gold coins and bulk silver coins is virtually identical to that of gold bullion and silver bullion, respectively, the fluctuations in value of the bullion will be substantially related to the fluctuations in value of the bulk coins. Therefore, bullion may be used as cover for leverage contracts on bulk coins, and vice versa. Section 31.8(a)(2)(ii). The Commission does not believe, however, that any showing has been made that the necessary price relationships exist so as to permit any of the other commodities which may be subject to leverage contracts (copper, platinum, Japanese yen, Deutsche mark, Swiss franc and British pound) to be covered by anything other than ownership of, or futures contracts on, the same commodity.

Certain commentors also objected to the 50 percent limit on the use of futures contracts as cover contained in the proposed rules and stated that an LTM should be able to use any acceptable form of cover in any proportion it sees fit. The Commission does not believe that the cover provisions should be liberalized to that extent. However, in

light of the comments received and the fact that the regulations the Commission is adopting will require an LTM to cover 90 percent of its obligations, the Commission has determined to require that 25 percent of an LTM's obligations be covered by physical commodities. The Commission believes that the 25 percent physical cover requirement is a necessary regulatory requirement to ensure the economic viability of leverage contracts, and that some degree of flexibility for an LTM with respect to covering the remainder of its obligations to customers is appropriate. Thus, the remaining 65 percent of obligations which must be covered may be covered by futures contracts or certain exchange-traded commodity options. Also, the 10 percent of obligations which may be left uncovered (with the LTM increasing its minimum capital requirement by an amount equal to 20 percent of the market value of the physical commodities subject to such uncovered leverage contracts) may instead be covered by any form of permissible cover. Therefore, a total of 75 percent of an LTM's obligations on leverage contracts could be covered by futures contracts or exchange-traded commodity options.

The Commission has established a floor on the amount of cover that must consist of physical commodities because of several concerns. The Commission believes it has developed regulations pursuant to which the delivery on a leverage contract will be an economically viable alternative for customers, since in order to be registered the leverage contract must permit the delivery of a commodity in an amount and form which can be readily resold in normal commercial or retail channels. Hence, in light of this potential for delivery, the "ideal" cover for an LTM would include a significant portion in physical commodities.³⁵

Further, futures contracts may not be appropriate cover for leverage contracts in all market situations. For example, a rapidly rising or turbulent market, which may provide a leverage customer with special motivation to attempt to resell his leverage contract to the LTM from whom it was purchased or to request delivery of the commodity from the LTM, may result in limit moves in the futures markets. The ensuing financial demands on an LTM covered only with futures contracts could thus come at a time when the LTM was facing heavy

terminations of customer positions. This may provide an incentive for an LTM to widen its bid-ask spread and not afford its leverage customers the ability to realize the full rise in price of the cash commodity if such a price rise is not fully reflected in the price of futures contracts used as cover. Accordingly, the requirement that a minimum amount of cover consist of physical commodities is intended to encourage LTMs to cover some significant portion of their open commitments with the physical commodity and, as a result, better to ensure the financial solvency of leverage transactions and the financial integrity of LTMs in extraordinary markets. The Commission is establishing the cover requirement because this more nearly comports with how the known universe of LTMs currently assures performance. The requirement of cover in the actual is also directed at preventing the mere repackaging of futures as off-exchange contracts, to providing the actual commodity readily upon demand to leverage customers and to retaining the installment purchase character of leverage contracts.

Certain commentators also raised questions as to permissible locations where inventory could be held and counted as cover. The Commission has therefore clarified the cover regulation, and conformed it with the provision regarding use of leverage customer funds to purchase cover, to make it clear that inventory used as cover must be held in approved contract market depositories or in commercial banks located in the United States. An LTM may not maintain inventory on its own premises and have that inventory considered as cover. The Commission is aware of several firms which have operated on an off-exchange basis in the cash market and which have claimed that their obligations to their customers were covered, only to discover when the "moment of truth" arrived and delivery was demanded by customers, that the purported cover did not exist. Since an LTM's cover of obligations to leverage customers is essential to ensure the financial solvency of leverage transactions, which are between principals, and because the ability of auditors to determine if cover requirements are being met is equally essential, physical cover must be maintained in approved contract market depositories or commercial banks in the United States.

The Commission has adopted a separate rule, § 31.8, regarding cover of leverage contracts, which had been included in the proposed rules in

§ 31.9(a)(11).³⁶ Section 31.8 also provides that if a firm is not in compliance with the 90 percent cover requirement, or with the requirement that 25 percent of an LTM's obligations to customers be covered with physicals, it must cease doing business as an LTM. A schedule of coverage requirements and cover provided is included in Form 2-FR, the financial reporting form for LTMs. Further, an LTM must make a daily record of its cover requirements and the amount of actual coverage provided, similar to its daily segregation record.

E. Segregation of Leverage Customer Funds

The Commission proposed to require that an LTM at all times segregate 25 percent of the market value of commodities subject to open leverage contracts entered into by the LTM. Certain commentators objected to that requirement, for a variety of reasons. The Commission generally agrees with the commentator (a firm which stated that it has engaged in a leverage business) which stated that there was no need for an LTM to offer financing in excess of 75 percent of a leverage contract's value. That commentator further stated that margin for a leverage contract should be higher than for a futures contract and also noted that a leverage customer's down payment reduces the unpaid amount of the leverage contract's value upon which carrying charges are calculated. Nonetheless, although the final rule provides that all customer funds received by LTMs must be segregated, the Commission has determined not to adopt the 25 percent segregation proposal.³⁷

The Commission has also relaxed the segregation requirements from those that were proposed in two other ways.

³⁵ The provisions of proposed § 31.9(a)(11) which are not contained in § 31.8 are now included in § 31.9(a)(12) and will apply only to the question of whether certain assets which are not being used to cover leverage contracts are to be considered covered themselves for purposes of determining the appropriate safety factor charge for such assets when an LTM computes its adjusted net capital.

³⁷ At the same time, the Commission recognizes that the cover requirements will create a natural incentive for an LTM to obtain a significant percentage of the market value of the commodities subject to leverage contracts from its leverage customers. For instance, if an LTM has open contracts with leverage customers worth \$10,000,000, and the LTM maintains the minimum amount of physical cover required by means of unencumbered warehouse receipts and covers the remainder of its obligations with futures at a 2 percent futures margin level, the LTM's cover could cost as much as \$2,650,000 (which is 26.5 percent of \$10,000,000) to maintain. However, if the LTM were to use encumbered warehouse receipts to the extent permitted under the rules contained herein, its cost of cover could be only \$900,000, or 9 percent of \$10,000,000.

³⁶ The potential for delivery should also result in the LTM maintaining a bid-ask spread which is not too wide. There should be no incentive for a wide bid-ask spread if the leverage customer can take delivery and make a profit in the retail market.

First, an LTM will be able to invest customer funds in municipal securities, as can an FCM. Second, an LTM will not be required to cease doing business as an LTM if it becomes undersegregated, although it will be required to notify the Commission to that effect.

It is also notable that although the Commission has revised the permitted cover to include warehouse receipts which are collateral for loans, the Commission has not altered the requirement that only unencumbered warehouse receipts are proper investments of segregated funds. This is because in a bankruptcy or other liquidation proceeding, segregation is the principal protection of customer funds. The creation of competing security interests in such funds could diminish significantly the recovery of customer funds and thereby diminish the protections accorded by segregation. Such a result could ultimately undermine the concept of segregation itself.

An LTM which uses leverage customer funds to margin futures contracts or to purchase commodity options used as cover for the LTM's obligations on leverage contracts must use a commodity account containing futures or option contracts which do not represent cover. Such LTM must also obtain and retain in its files for the period provided in § 1.31 of this chapter an acknowledgment from the FCM wherein the leverage customer funds have been deposited that: (1) The FCM has been informed that the commodity account is being treated by the LTM as belonging to leverage customers and is being held in accordance with the provisions of § 31.12, (2) the customers on whose behalf the account is maintained by the LTM shall not be liable for any margin calls or other required deposits related to such account, and (3) upon liquidation of the open contracts in the account, subject to Part 190 of the Commission's regulations, the FCM's claim in the balance will be subordinate to that of leverage customers. The FCM has no claim except for the margin or the premium related to futures or option contracts in such an account, and therefore the FCM cannot make a claim against that account to satisfy any debts owed to it by the LTM related to an account which contains contracts which do not represent cover of obligations to leverage customers.

The Commission further wishes to note that the purpose of the segregation and the cover roles is to protect the interest of the leverage customer. The Commission will closely monitor the use

by LTMs of leverage customer funds to margin futures contracts or to purchase commodity options used as cover for leverage contracts. The Commission also will consider whether further leverage customer protections are needed, such as a requirement that futures or options used as cover be held in separate accounts by commodity (*i.e.*, whether copper futures or options used as cover would have to be held in an account separate from gold futures or options used as cover) with no right of offset between them so that problems which occur in the market for a particular commodity will not affect the cover of a different commodity.

F. Other Financial Requirements

During the Commission's review of the comments on the financial requirements for LTMs and its own review of those proposals, the Commission has discovered several ways in which it believes the financial rules applicable to LTMs can be clarified and simplified, and accommodate certain comments received. A discussion of these matters follows.

Price Series—When the Commission issued the proposed leverage rules, § 31.9(a)(1) was reserved for a provision relating to the price series to be used by an LTM to compute the market value of the physical commodities subject to each uncovered leverage contract entered into by the LTM for purposes of determining the LTM's minimum adjusted net capital requirement. Twenty percent of such market value must be added to an LTM's minimum dollar requirement of \$2,500,000. For example, if such market value were \$500,000, the LTM's adjusted net capital requirement would be \$2,600,000 (\$2,500,000 + (.20 × \$500,000)).

The Commission has adopted § 31.9(a)(1), which basically requires each LTM to compute the market value of physical commodities subject to uncovered leverage contracts by using the widely accepted and disseminated commercial or retail cash price series submitted with the LTM's application for registration of a particular leverage commodity in accordance with § 31.6, and cannot include any mark-ups or discounts of the LTM. For example, an LTM may have uncovered leverage contracts involving gold bullion, and the price series submitted by the LTM in accordance with § 31.6 might indicate a price for gold bullion of \$400 per ounce. The LTM may at the time be offering to enter into a new gold bullion leverage contract at a price of \$410 per ounce, and offering \$390 per ounce to repurchase an existing gold bullion

leverage contract, a \$20 bid-ask spread. When computing its minimum adjusted net capital requirement, the LTM would have to add to \$2,500,000 the number of ounces of gold bullion subject to leverage contracts which are uncovered multiplied by \$400. The Commission believes that an LTM must use a consistent reference point to the cash or spot market which is widely disseminated on a timely basis and verifiable independent of the LTM to establish the market value of commodities subject to leverage contracts should such a valuation be necessary to determine the LTM's minimum net capital requirement.³⁸

Customer/Noncustomer/Proprietary Account Distinction—The Commission has determined not to make a distinction between customers and "non-customers", as the latter term is used for purposes of Commission Rule 1.17, with respect to leverage contracts and the financial rules applicable to LTMs. Thus, the definitions contained in proposed § 31.9(a)(4) (ii) and (iv) have not been adopted, and the general definition of leverage customer contained in § 31.4(d) will apply throughout Part 31. That definition states that a leverage customer means any person who, directly or indirectly, enters into, purchases, or otherwise acquires for value any interest in a leverage contract from an LTM.³⁹ Thus, any person who purchases a leverage contract from an LTM, even if the purchaser is an associated person of the LTM, is to be treated the same way for purposes of an LTM's computation of its adjusted net capital. For example, the differential grace period which an FCM has with respect to undermargined customer and noncustomer accounts before it may take a charge against net capital (three days versus two days) does not apply to an LTM, for which the three day grace period will apply as to all accounts. Compare Commission Rule 1.17(c)(5) (viii) and (ix) with Rule 31.9(a)(10).

The Commission has adopted, in § 31.9(a)(5)(ii), a definition of proprietary account for purposes of § 31.9 which is

³⁸Of course, this discussion is only relevant to an LTM which leaves obligations to leverage customers uncovered. Since the Commission's cover rule would permit only 10 percent of such obligations to be uncovered, and since an LTM could cover that portion of its obligations with futures contracts, exchange-traded commodity options or physical inventory rather than having to increase its adjusted net capital by 20 percent of the market value of the commodities subject to uncovered leverage contracts, LTMs may have a natural incentive to cover all of their obligations to customers.

³⁹This definition is similar to the definition of an option customer in the context of dealer options. See Commission Rule § 32.1(b)(3).

similar to the definition of proprietary account contained in § 1.17(b)(3), so that an LTM will be subject to the same safety factor charges as an FCM with respect to the firm's own trading, or the trading of general partners, when computing adjusted net capital. There is, however, no general proprietary account definition with respect to leverage contracts as there is for futures contracts and exchange-traded options (see Commission Rule 1.3(y)). Therefore, an LTM must segregate all funds received from its associated persons or principals for the purpose of purchasing leverage contracts, as it must segregate those funds received from any other customer (§ 31.12), and the LTM must cover 90 percent of its obligations on leverage contracts purchased by associated persons of the LTM (§ 31.8). An LTM must generally treat every customer in an equivalent manner, and the Commission will monitor LTMs to determine if associated persons or principals who purchase leverage contracts are given more favorable terms than other customers, and if that is the case, whether additional regulations or enforcement actions are necessary. In any event, under Part 190, the Commission's bankruptcy rules, claims of insiders such as principals or associated persons would be subordinate to customer claims.

Safety Factor Charges.—The Commission has clarified certain provisions relating to safety factor charges ("haircuts") which an LTM must take against its net capital when computing its adjusted net capital. Section 31.9(a) (9) and (10). The Commission does not intend that the haircuts which would otherwise apply to inventory be taken by an LTM when the inventory in question represents cover for leverage contracts. The inventory haircuts are set forth in Commission Rule 1.17(c)(5)(ii) (B) and (C), but when the Commission proposed the leverage regulations, the reference to Rule 1.17(c)(5)(ii)(C) was not set forth in proposed § 31.9(a)(9). As a result, the rule could have been read to require haircuts to be taken by an LTM for certain inventory being used as cover for leverage contracts. This inadvertent omission has been corrected.

The Commission similarly does not intend that the haircuts applicable to an LTM's futures or exchange-traded commodity option trading be taken if such trading represents cover for leverage contracts. The regulations as proposed did not provide that exchange-traded commodity options could be considered as cover for leverage contracts, so there was no reference in

proposed § 31.9(a)(9) to the haircut, for a firm's exchange-traded commodity option trading. That haircut, which is set forth in Commission Rule 1.17(c)(5)(xii), is now specifically referred to in § 31.9(a)(9).

The Commission has also clarified the provision relating to the haircut to be taken for an undermargined leverage customer account. Section 31.9(a)(10). When the Commission proposed § 31.9(a)(9), it stated that, except as noted otherwise, the haircuts set forth in Commission Rule 1.17(c)(5) for FCMs would also apply to LTMs, and this would include the undermargined account haircuts contained in Rule 1.17(c)(5) (viii) and (ix). The Commission determined to clarify that the haircut in Rule 1.17(c)(5)(viii) for undermargined commodity futures and commodity option customer accounts will apply to undermargined leverage customer accounts (that is, there will be a three-day grace period before the charge must be taken if a margin call is issued). Appropriate changes in terminology have been made to make this result clear.⁴⁰ Further, since there is no distinction between customer and noncustomer accounts with respect to leverage contracts, as discussed above, and since there will be no omnibus leverage accounts, the haircut in Rule 1.17(c)(5)(ix) is irrelevant to LTMs for purposes of computing adjusted net capital.

Computation of Adjusted Net Capital.—In order for an LTM to compute its actual adjusted net capital requirement, the LTM will have to follow the provision set forth in § 31.9, and particularly, paragraphs (a)(6) through (a)(8), and paragraph (a)(11). Those paragraphs incorporate most of the provisions of Commission Rule 1.17 and relate to such items as current assets, liabilities, the debt-equity requirement withdrawal of equity capital and subordination agreements.⁴¹ A more complete description of the application of § 1.17 may be found in the Commission's release announcing the proposed rules for introducing brokers. 48 FR 14933, 14943-47 (April 6, 1983).

Financial Reporting.—The Commission has adopted a new financial reporting form for LTMs, the

Form 2-FR.⁴² The form as adopted is identical in most respects to the form as proposed, but certain changes have been necessitated due to the rule changes discussed above. The minimum adjusted net capital requirement and the early warning level of adjusted net capital which appear on the form have been altered to reflect the rules as adopted. Since the Commission has adopted specific levels of cover to be maintained, a schedule of coverage requirements and coverage provided is included. References to noncustomer accounts have been deleted, since that concept will not apply to leverage contracts. The segregation schedule as adopted is more like the schedule for FCMs contained in Form 1-FR than was the proposed segregation schedule for LTMs, since the proposed 25% segregation rule for LTMs was not adopted and the segregation requirements for an LTM will be similar to those of an FCM (although an LTM has greater flexibility in the use of segregated funds than does an FCM).

When the Commission issued the proposed leverage rules, it stated that it intended also to make appropriate, technical amendments to its rules concerning Commission records and information, 17 CFR Part 145, and its rules pertaining to open Commission meetings, 17 CFR Part 147. The Commission has added § 145.5(d)(1)(i)(F) and § 147.3(b)(4)(i)(A)(6) to its regulations under the Freedom of Information Act and Government in the Sunshine Act, respectively. Those new paragraphs provide for nonpublic treatment of Form 2-FR to the extent presently provided for the Form 1-FR. If an LTM follows the separate binding procedure set forth in § 31.13(m), the Commission will generally treat as nonpublic the following provisions of Form 2-FR: The Statement of Income (Loss), the Statement of Changes in Financial Position, the Statement of Changes in Ownership Equity, the Statement of Changes in Liabilities Subordinated to the Claims of General Creditors Pursuant to a Satisfactory Subordination Agreement and the accountant's report on material inadequacies filed under § 1.16(c)(5) of this chapter. Accordingly, the generally public portions of Form 2-FR are the Statement of Financial Condition, Statement of the Computation of the Minimum Capital Requirements, Schedule of Coverage Requirements and Coverage Provided,

⁴⁰ An LTM's obligations with respect to margin calls is set forth in § 31.18.

⁴¹ For those LTMs which wish to use subordinated debt as part of their financial structure, many commodity and security exchanges have form agreements which may be useful as a model for an LTM, with appropriate changes in references to rules and capital levels.

⁴² Anyone interested in obtaining a copy of Form 2-FR may contact Mr. Patent at the address or telephone number listed in this release.

and the Schedule of Segregation Requirements and Funds in Segregation. LTMs are also reminded of their obligation to furnish, upon request, the generally public portions of its most recent quarterly unaudited or annual audited Form 2-FR to all leverage customers with open leverage contracts and to prospective leverage customers who are being solicited to enter leverage contracts with the LTM. Section 31.11(1).

Section 31.13(e) states generally that financial reports required to be filed by LTMs will be considered filed when received by the regional office of the Commission with jurisdiction over the state wherein the principal place of business of the LTM is located, in accordance with Commission Rule § 140.2. The Commission has added a proviso to that paragraph which states that firms under the jurisdiction of the Western Regional Office must file their financial reports with the Southwestern Regional Office. Accordingly, an LTM located in California must file its Form 2-FR with the Commission's Kansas City office, not the Los Angeles office. This is consistent with the treatment of FCMs and is necessary because the Commission has no audit and financial review personnel stationed in the Los Angeles office.

Definition Of Leverage Customer Funds—For purposes of simplification and conformity, the Commission has determined to adopt a definition of "leverage customer funds." Section 1.3(pp). By adopting and using this phrase throughout § 31.12, the rule relating to segregation of leverage customer funds, the Commission need not continually repeat the phrase "money, securities or property" in § 31.12. Also, the use of this term and its definition parallels the treatment of customer funds with respect to futures and exchange-traded options in Commission Rule §§ 1.3(gg) and 1.20 through 1.30. The definition of leverage customer funds means all money, securities and property received by a leverage transaction merchant from, for, or on behalf of leverage customers to margin, guarantee or secure leverage contracts (or the extension of credit in lieu thereof), and all money accruing to such customers as the result of such contracts. Profit or loss accruing to a leverage customer is the difference between the leverage transaction merchant's current bid price for the leverage contract and the ask price of the leverage contract when entered into.⁴³

⁴³ An LTM operating with a bid-ask spread will normally be offering to repurchase a leverage contract at a lower price than it is offering to enter

Delegation of Authority—The Commission has delegated the authority to perform all functions reserved to the Commission under § 31.13 to the Director of the Division of Trading and Markets or his designee. Section 31.13(n)(1). This delegation will allow the Director or his designee to approve or disapprove financial rules of a designated self-regulatory organization for member LTMs (§ 31.13(b)(2)), requests for change in fiscal year (§ 31.13(j)), and requests for extensions of time to file financial reports (§ 31.13(k) and (l)). The Director of the Division of Trading and Markets may submit to the Commission for its consideration any matter delegated to him pursuant to § 31.13(n)(1). The delegation contained in § 31.13(n)(1) is similar to the Commission's delegation with respect to the financial rules applicable to FCMs and introducing brokers. Commission Rule § 140.91.

Effective Date of Minimum Financial and Related Reporting Requirements—The Commission recognizes that those firms which can demonstrate compliance with the temporary moratoria set forth in Commission Rule §§ 31.1 or 31.2 may need some additional time beyond the general 60-day effective date to achieve and demonstrate compliance with the minimum financial requirements. Accordingly, the Commission has determined to permit any firm which can demonstrate it is properly in business under the temporary moratoria set forth in Commission Rule §§ 31.1 or 31.2 to have until April 30, 1984 (which is more than 100 days from the date of adoption of these rules) to achieve compliance with the minimum financial requirements set forth in § 31.9.⁴⁴ Demonstration of such compliance would then have to be made by submitting a Form 2-FR certified by an independent public accountant as of April 30, 1984 no later than 45 days thereafter, which is June 14, 1984 (150 days from the date of adoption of these rules). A firm also has the option of submitting an unaudited Form 2-FR by June 14, 1984 as of a date not more than 45 days prior thereto, if it is accompanied by a Form 2-FR certified by an independent public accountant as of a date not more than one year prior thereto (such as December 31, 1983), and if both reports demonstrate compliance

into a new leverage contract, that is, the bid price will be lower than the ask price. Therefore, a leverage customer entering into a leverage contract with such an LTM will accrue a loss on the leverage contract immediately upon entry into the contract.

⁴⁴ The financial early warning system for LTMs, which is set forth in § 31.7, will become effective at the same time.

with § 31.9. Section 31.13(a). In this connection, the Commission wishes to note that the cover and segregation requirements, §§ 31.8 and 31.12, respectively, will become effective on the general effective date of this release.

XVI. Monthly Reporting Requirement

Section 31.16 establishes the form and content of reporting requirements for leverage transaction merchants. This rule is similar to the proposed rule of June 1, 1983. The Commission has modified the rule to include the required reporting of the number of rescissions during the month. Under this rule, leverage transaction merchants who sell leverage contracts are required to submit monthly reports to the Commission. These reports are to be prepared and submitted on two new CFTC forms which will be available from the Commission's headquarters office in Washington, D.C. Examples of these forms accompany this notice. In addition, the Commission has amended Rules 145.5 and 147.3 to recognize the confidential nature of the information reported on Form 188.

Several commentators objected to, variously, required reports of deliveries, commercial usage and the by-commodity breakdown of information by leverage commodities. The Commission however needs such information to monitor developments in the industry and the practices of individual leverage firms. Despite a comment to the contrary, the Commission does not believe that compiling such information will be a costly burden to leverage transaction merchants because the required information should be available readily for the firm's own purposes.

XVII. Notice of and Reasonable Opportunity To Meet Margin Calls

The Commission also sought comments regarding the best means of ensuring that leverage customers be given both adequate notice of margin deficiencies and a reasonable opportunity to meet margin calls before a leverage transaction merchant can exercise its rights under a leverage contract to liquidate a leverage customer's leverage contract position.⁴⁵

The commentators generally opposed any proposal that would circumscribe a leverage transaction merchant's actions regarding margin calls. One commentator suggested that the Commission should not mandate the timing and method of margin calls, but rather mandate what remedy should be available to a

⁴⁵ 48 FR 28668, 28671 (June 23, 1983).

leverage customer against a leverage transaction merchant who fails to give adequate notice of a margin deficiency or a reasonable time to meet a margin call. Several commentors noted that appropriate margin calls and forced liquidations are essential to the financial well-being of the leverage transaction merchant and that forced liquidations protect undermargined customers from additional losses and adequately margined customers from the threat to the leverage transaction merchant's survival posed by undermargined and deficit accounts. The commentors also pointed out that no similar provision is imposed upon registered futures commission merchants or provided futures customers. The commentors pointed out the time involved in transmitting margin calls to a large number of customers and the difficulty in contacting leverage customers by telephone and mail. One commentor, who believes that customer vigilance is the best means to achieve the goals of this proposal, proposed alternatively that the Commission require a good faith effort by the leverage transaction merchant to contact a leverage customer, with records kept of attempts to contact a leverage customer and possibly a telegram to be sent where attempts at telephone contact are unsuccessful, but that a leverage transaction merchant should not be required to wait more than 24 hours before liquidating a leverage customer's position.

The Commission has carefully considered all of the comments received on this subject. Nevertheless, the Commission remains concerned that a leverage customer be given notice of a margin deficiency and a reasonable opportunity to meet a margin call. This concern is heightened by the leverage transaction merchant unilaterally setting the price of the leverage contract that will trigger the margin call, by the leverage transaction merchant's bid and ask prices not being widely disseminated, and by the termination charges payable to the leverage transaction merchant by the leverage customer upon liquidation of a leverage contract.

Accordingly, the Commission has determined to adopt § 31.18. Section 31.18(a) provides that no leverage transaction merchant shall liquidate a leverage contract because of a margin deficiency without effecting personal contact with the leverage customer. However, as one commentor suggested, a leverage transaction merchant may send a telegram to the leverage customer if the leverage transaction

merchant is unable to effect personal contact.

Section § 31.18(b) requires the leverage transaction merchant to allow a leverage customer a reasonable time after contact is effected in which to respond to a margin call and establishes 24 hours, excluding weekend and holidays, as a reasonable time. However, in the event the equity in a leverage customer's leverage account equity falls below 50% of the aggregate minimum margin with respect to all leverage contracts in the leverage customer's account, the leverage transaction merchant may liquidate sufficient contracts to restore minimum margin without prior notice, provided that the leverage customer must be notified of such liquidation within 24 hours thereof and permitted to re-establish any contracts so liquidated for a period of five business days at the then prevailing bid price without any commissions, fees, or other markups or charges whatsoever.⁴⁶

The Commission believes that this provision will allow the leverage customer the opportunity to meet a margin call while providing adequate safeguards to protect the leverage transaction merchant from incurring undue losses resulting from deficit accounts. The Commission is not establishing 24 hours as the minimum time a leverage customer must be allowed to respond to a margin call; however, a leverage transaction merchant will have the burden of establishing the reasonableness of any period less than 24 hours. At the same time, the provision allows the leverage transaction merchant in certain situations to liquidate a leverage customer's leverage contracts, thereby protecting both the leverage transaction merchant and the leverage customer.

Finally, § 31.18(c) requires the leverage transaction merchant to keep a record of all margin calls, including all contact with leverage customers and attempts to contact leverage customers, in accordance with the provisions of § 31.14 of the Commission's regulations. One commentor suggested that a leverage transaction merchant keep records of attempts to contract leverage customers regarding margin calls.

XVIII. Timestamping and Daily Price Records

The Commission specifically requested comments concerning whether a leverage transaction

merchant should be required to timestamp or otherwise record the time of execution (to the nearest minute) of all customer orders involving leverage transactions, and be required to maintain a daily record of the bid prices and ask prices of the leverage contracts marketed by the leverage dealer and the times those prices were in effect.⁴⁷

The commentors who addressed themselves to this issue generally supported this timestamping and recordkeeping proposal. Several commentors found these requirements an aid to customer protection. One of those commentors stated that these requirements should neither present any technological or structural problems for leverage transaction merchants nor have an adverse impact upon their ability to conduct their business. Another commentor, claiming to be in the leverage business and representing that it currently timestamps or otherwise records the time of each leverage transaction and maintains daily a continuous record of its bid and ask prices, did not object to the imposition of such recordkeeping requirements, although it does not believe them particularly necessary.

The Commission has determined that this timestamping and recordkeeping proposal will provide an important measure of customer protection and will aid in the construction of an audit trail. Accordingly, the Commission has determined to adopt § 31.17, which parallels in part § 1.35 of the Commission's regulations.

XIX. Petitions for Exemption

As noted in the Commission's proposal, Congress considered implementation of these rules to be a significant addition to the existing regulatory structure under the Act. In this respect, the Commission will continue to monitor the effect of these rules and will consider such revisions to the system being adopted herein as may be appropriate. In the meantime, however, the Commission is aware that in certain instances these rules may require an existing LTM to alter or amend its current business practices. Therefore, in order to provide a mechanism to alleviate any undue adverse or unforeseen impact of these rules, the Commission has adopted § 31.24 which provides a general exemption procedure applicable to these rules.

Under § 31.24, any person adversely affected by any requirement of Part 31 may file a petition with the Secretary of

⁴⁶ The Disclosure Document must specify what is minimum margin and also must specify the order in which contracts will be liquidated if unilateral liquidation becomes permissible.

⁴⁷ 48 FR 28671 (June 23, 1983).

the Commission setting forth the reasons why that person believes he should be exempt from a requirement. The Commission may, in its discretion, grant such an exemption if that person demonstrates to the Commission's satisfaction that: (1) Under the exemption, that person's business will be conducted in a manner that may reasonably be expected to ensure the financial solvency of the contracts to be offered and sold and to prevent manipulation and fraud, (2) the manner in which the business will be conducted will present no substantial risk to the public, and (3) the exemption is not otherwise contrary to the public interest or to the purposes of the provision from which exemption is sought. The Commission will grant or deny the petition on the basis of the papers filed. In addition, the petition may be granted subject to such terms and conditions as the Commission may find appropriate. It should be noted that the burden of establishing that the exemption is in the public interest rests with the petitioner. Section 31.24.

An example of when an LTM may determine to petition for an exemption concerns the cash price series to be used in connection with the calculation of an LTM's minimum adjusted net capital requirement. As stated above, the Commission has adopted § 31.9(a)(1), which basically requires each LTM to compute the market value of physical commodities subject to uncovered leverage contracts by using the widely accepted and disseminated commercial or retail cash price series submitted with the LTM's application for registration of a particular leverage commodity in accordance with § 31.6, and cannot include any mark-ups or discounts of the LTM. If an LTM believes that it would be more appropriate to compute such market value by using a widely accepted and disseminated commercial or retail cash price series other than the one submitted under § 31.6, the LTM could petition the Commission under § 31.24. The Commission notes, however, that it would be unlikely to approve a cash price series which is more advantageous to the LTM than the price series submitted under § 31.6.

XX. Additional Provisions

A. Requirement Concerning Repurchase of Leverage Contracts

In addition to the provision in the proposed definition of leverage contract discussed above, the Commission proposed in Section 31.10 specifically to require an LTM, at all times, to offer to repurchase leverage contracts sold to its customers. In this regard, the

Commission specifically requested comments on appropriate guidelines or quantitative measures to be used by LTMs in establishing price quotations to satisfy this repurchase requirement. The Commission also sought comments suggesting other alternative measures designed to assure that LTMs fulfill their obligations under leverage contracts to their customers, such as a specific cover requirement.

While one commentator supported the repurchase requirement, a number of commentators were generally critical of the provision as being impractical and contrary to industry practice. In addition the commentators, while suggesting some alternatives (including cover requirements) to the rule, were generally unable to suggest specific guidelines or other measures to be incorporated in the rule concerning the establishment of prices at which repurchases would be made.

In light of these comments and upon review of the proposal, the Commission has determined to delete the repurchase requirement as proposed and adopt, as an alternative, a less stringent requirement that an LTM may not offer to enter into or enter into leverage contracts in a commodity at any time that the LTM is not offering to repurchase from any of its customers leverage contracts involving that commodity. The Commission believes that this provision, like the original proposal, will provide some degree of assurance that LTMs will fulfill their obligations to their customers.

B. Anti-fraud Rule

The Commission sought comment concerning whether it should amend its anti-fraud rule applicable to leverage transactions, § 31.03, to incorporate specifically the language of the anti-fraud proscriptions of Section 40 of the Act. Upon further review and in light of the comments received, the Commission has determined that the proscriptions now contained in § 31.03 are fully as broad as those set forth in Section 40 of the Act and that any amendment to the rule is therefore unnecessary. The Commission is, however, redesignating § 31.03 as § 31.3.

C. Review of Promotional Materials

The Commission expressed interest in receiving comments concerning what role it should assume in reviewing promotional materials employed in the offer and sale of leverage transactions. Several commentators supported Commission review of promotional materials while others felt it would constitute an unconstitutional restraint of commercial speech and would be

generally burdensome to both LTMs and the Commission.

The Commission has concluded that prior review of promotional materials is unnecessary at this time. As one commentator suggested, the Commission believes at this time that subsequent review of such materials in the course of a compliance audit or other Commission investigation may be adequate. It should be noted that promotional materials, as defined in § 31.4(c), are generally required by § 31.14 to be kept by LTM's and made available for inspection, and that it is expected that the Commission or any appropriate self-regulatory organization will conduct sales practice audits for this and other matters from time to time on a surprise basis.

D. Miscellaneous Provisions

Proposed § 31.17, now § 31.19, which has been adopted with the addition of a new paragraph (b), generally makes unlawful certain specified representations by persons engaged in the offer and sale of leverage contracts. Proposed § 31.18, now § 31.20, concerning prohibitions of guarantees against loss, and proposed § 31.19, now § 31.21, concerning leverage transactions entered into prior to the effective date of these regulations, have been adopted essentially as proposed.

Pursuant to proposed § 31.20, which has been adopted as § 31.22, a futures commission merchant will generally be prohibited from engaging in leverage contracts. Several commentators questioned the necessity for this proscription, one of whom suggested that this would prohibit a firm from marketing both leverage and futures contracts, and that this result would be harmful to competition. Such a result may readily be avoided, however, were such a company, as an FCM, to incorporate or otherwise create a separate affiliated business entity or subsidiary to engage in the leverage business as an LTM. In any event, as noted above in the discussion of the prohibitions of certain multiple associations by APs of LTMs, the Commission notes that this is a new regulatory program and there are significant differences between the manner in which futures contracts and leverage contracts are offered to the public which has resulted in differing regulatory requirements being imposed by the Commission. As also noted above, inasmuch as this is the first time the Commission has adopted a regulatory scheme applicable to leverage contracts, the Commission believes that it is necessary to proceed slowly to permit a cautious development

of these regulations without posing unreasonable risks to the public. Accordingly, the Commission believes at this time that the benefits accruing to the public from such a cautious approach outweigh any possible adverse effects upon competition or otherwise which might result from the operation of § 31.22.

The Commission has also adopted two minor technical and conforming amendments to Part 190 of its regulations which contains rules governing the liquidation of certain commodity firms, including LTMs. First, the Commission has added paragraph (nn) to § 190.01 which states that a "leverage contract" shall have the same meaning as that set forth in § 31.4(w). Second, the Commission has amended paragraph (g) of § 190.01 to provide that the term "commodity contract" shall have the same meaning, subject to § 190.01 (nn), as that set forth in Section 761(6) of the Bankruptcy Code.

At its meeting on January 16, 1984, the Commission voted, for purposes of consistency, to conform the language in the regulations to refer to the purchase of commodities pursuant to a leverage contract. The Commission continues to believe that consistency in the terminology employed in the regulations is important. However, upon further reflection, the Commission has determined that the regulations should uniformly reflect the purchase of leverage contracts by leverage customers. The Commission believes that this is consistent with its definition of a leverage contract in § 31.4(w) as a contract for the long-term (ten years or longer) purchase by a leverage customer of a leverage commodity and with the fundamental nature of a leverage transaction.

XXI. Related Matters

A. Regulatory Flexibility Act

When the Commission proposed these rules for certain leverage transactions, the Chairman, on behalf of the Commission, certified pursuant to the Regulatory Flexibility Act, 5 U.S.C. 601, *et seq.*, that the adoption of the rules as proposed would not appear to affect a substantial number of small firms. The Commission based this determination upon information available to it which indicated that only a very small number of persons or firms were engaged in leverage businesses involving gold and silver bullion or bulk coin, copper or platinum in accordance with the Commission's moratoria rules. While comments were specifically solicited from small firms which might be adversely affected by the rules, nothing

presented to the Commission in the comments received has caused the Commission to change this determination. As a result, and even with the expanded application of these rules also to encompass leverage transactions involving certain foreign currencies, the Commission continues to believe that these rules will not have a significant economic impact on a substantial number of small entities.

B. Paperwork Reduction Act

The Commission has submitted pertinent portions of these rules to the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1980 (44 U.S.C. Chapter 35).

C. Section 15 Considerations

Several persons who commented on the Commission's June 1, 1983 proposed rules maintained that rules were anticompetitive in various respects. In particular, it was suggested that the financial requirements for LTMs, including the related segregation and cover provisions, would constitute a barrier to smaller firms wishing to enter the leverage business; the prohibition upon FCMs and their employees from selling leverage contracts could be harmful to competition that might develop between FCMs and LTMs; and the continuation of the moratoria even for a short period would exclude potential competitors from entering the leverage business. In proposing and adopting these interim rules, however, the Commission has taken into account its responsibilities under Section 15 of the Act, 7 U.S.C. 19 (1982) and has determined that these rules, in the form now adopted, meet the requirements of that Section.

Section 15 does not require the Commission to subordinate the policies and purposes of the Commodity Exchange Act to those of the antitrust laws. Rather, Section 15 requires only that the Commission take into consideration the public interest to be protected by the antitrust laws and endeavor to take the least anticompetitive means of achieving the objectives, policies and purposes of the Act. Moreover, Section 15 does not require the Commission to adopt the least anticompetitive course of action where the objectives, policies and purposes of the Commodity Exchange Act would be better served in some other way.⁴⁸

While the Commission is mindful that the financial rules (which have been substantially modified from what was proposed) as well as the separation of the businesses of FCMs and LTMs (which also has been modified) and the continuation of the moratoria may impose some limitations upon the ability of certain persons to enter into or continue in the leverage business and thus may result in some lessening of competition, the Commission in its judgment finds that these interim rules are necessary to effectuate an essential purpose and policy of the Act. In this regard, the Commission is required by the Act to provide essential customer protections which would attempt to ensure the financial solvency of leverage transactions and would attempt to prevent manipulation or fraud in connection with the offer and sale of such transactions. See Section 19(b) of the Act. As a result, these interim rules have been designed to provide such customer protections as are deemed essential. While these rules may have some anticompetitive effects, the Commission, in weighing its responsibilities under the Act, has nonetheless determined that the objectives, policies and purposes of the Act can be met, in its judgment, only by the adoption of interim rules such as these.

D. Effective Date

Section 4(c) of the Administrative Procedure Act (5 U.S.C. 553(d)) specifies generally that rules promulgated by an agency may not be made effective less than 30 days after publication except "for good cause." The Commission finds that good cause exist to make §§ 31.5(c) and 31.5(d) contained herein effective upon the date of publication because the adoption of those rules is necessary to allow persons who were not formerly registered with the Commission to now apply for registration. Moreover, persons subject to §§ 31.5(c) and 31.5(d) will not be prejudiced by immediate effectiveness of those rules since the rules grant such persons a sufficient period of time to enable compliance. In addition, compliance with those rules will enable such persons to continue to engage in business pending a final registration determination by the Commission.

⁴⁸ See, e.g., *British American Commodity Options Corp. v. Bagley*, Comm. Fut. L. Rep. (CCH) ¶20,245 at 21,334 (S.D.N.Y. December 21, 1976), *aff'd in part and rev'd in part on other grounds*, 552 F.2d 482 (2d Cir.), cert. denied, 434 U.S. 938 (1977); *Rosenthal v.*

Bagley, 450 F. Supp. 1120, 1124-1125 (N.D. Ill. 1978); *Commodity Futures Trading Commission v. American Board of Trade, Inc.*, 473 F. Supp. 1177, 1182 (S.D.N.Y. 1979).

E. List of Subjects**17 CFR Part 1**

Definitions, Minimum financial requirements.

17 CFR Part 3

Registration requirements, Leverage transaction merchants, Associated persons of leverage transaction merchants, Authority delegations.

17 CFR Part 4

Commodity trading Advisors, Exemption from registration.

17 CFR Part 31

Definitions, Registration of leverage commodities, Registration of leverage transaction merchants and leverage representatives, Minimum financial requirements, Repurchase of leverage contracts, Disclosure and segregation requirements, Financial reports, Recordkeeping and reporting requirements, Unlawful representations, Prohibition of guarantees against loss, Prohibited trading, Fraud, Petitions for exemption.

17 CFR Part 145

Records, Freedom of Information Act.

17 CFR Part 147

Records, Government in the Sunshine Act.

17 CFR Part 190

Definitions.

In consideration of the foregoing, and pursuant to the authority contained in the Sections 8a(5) and 19 of the Commodity Exchange Act, as amended, 7 U.S.C. 12a(5) and 23 (1982), and in 5 U.S.C. 552 and 552b, the Commission hereby amends Chapter I of Title 17 of the Code of Federal Regulations as follows:

PART 1—GENERAL REGULATIONS UNDER THE COMMODITY EXCHANGE ACT

1. Section 1.3 is amended by revising paragraphs (aa) (introductory text), (aa)(4) and (ff) and by adding paragraphs (aa)(5), (oo), (pp) and (qq) to read as follows:

§ 1.3 Definitions.

(aa) *Associated person*. This term means any natural person who is associated in any of the following capacities with:

(4) A commodity trading advisor as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar

functions), in any capacity which involves: (i) The solicitation of a client's or prospective client's discretionary account, or (ii) the supervision of any person or persons so engaged; and

(5) A leverage transaction merchant as a partner, officer, employee, consultant, or agent (or any natural person occupying a similar status or performing similar functions), in any capacity which involves: (i) The solicitation or acceptance of leverage customers' orders (other than in a clerical capacity) for leverage transactions as defined in § 31.4(x) of this chapter, or (ii) the supervision of any person or persons so engaged.

(ff) *Designated self-regulatory organization*. This term means a self-regulatory organization of which a futures commission merchant, an introducing broker or a leverage transaction merchant is a member, or if a futures commission merchant or an introducing broker is a member of more than one self-regulatory organization and such futures commission merchant or introducing broker is the subject of an approved plan under § 1.52, then a self-regulatory organization delegated the responsibility by such a plan for monitoring and auditing such futures commission merchant or introducing broker for compliance with the minimum financial and related reporting requirements of the self-regulatory organizations of which the futures commission merchant or introducing broker is a member, and for receiving the financial reports necessitated by such minimum financial and related reporting requirements from such futures commission merchant or introducing broker.

(oo) "Leverage transaction merchant" means and includes any individual, association, partnership, corporation, trust or other person that is engaged in the business of offering to enter into, entering into or confirming the execution of leverage contracts, or soliciting or accepting orders for leverage contracts, and who accepts leverage customer funds (or extends credit in lieu thereof) in connection therewith.

(pp) "Leverage customer funds" means all money, securities and property received, directly or indirectly by a leverage transaction merchant from, for, or on behalf of leverage customers to margin, guarantee or secure leverage contracts and all money, securities and property accruing to such customers as the result of such contracts, or the customers' leverage equity. Profit or loss accruing to a

leverage customer is the difference between the leverage transaction merchant's current bid price for the leverage contract and the ask price of the leverage contract when entered into.

(qq) "Leverage contract" shall have the same meaning as that set forth in § 31.4(w) of this chapter.

2. Section 1.12 is amended by revising paragraph (f) to read as follows:

§ 1.12 Maintenance of minimum financial requirements by futures commission merchants, introducing brokers and leverage transaction merchants.

(f)(1) Whenever a clearing organization determines that any position it carries for one of its clearing members which is registered as a futures commission merchant or as a leverage transaction merchant must be liquidated immediately, transferred immediately or that the trading of any account of such futures commission merchant or such leverage transaction merchant shall be only for the purposes of liquidation, because that clearing member has failed to meet a call for margin or to make other required deposits, the clearing organization must give telegraphic notice of such a determination to the principal office of the Commission at Washington, D.C. within 24 hours.

(2) Whenever a registered futures commission merchant determines that any position it carries for another registered futures commission merchant or for a registered leverage transaction merchant must be liquidated immediately, transferred immediately or that the trading of any account of such futures commission merchant or leverage transaction merchant shall be only for purposes of liquidation, because the other futures commission merchant or the leverage transaction merchant has failed to meet a call for margin or to make other required deposits, the carrying futures commission merchant must give telegraphic notice of such a determination to the principal office of the Commission at Washington, D.C., within 24 hours.

PART 3—REGISTRATION

3. Section 3.1 is amended by revising paragraphs (b) and (c) to read as follows:

§ 3.1 Definitions.

(b) *Current*. As used in §§ 3.10-3.17, a current Form 8-R or Form 94 is any such Form which was filed by or on behalf of a registrant or principal on or before July

1, 1982, if, subsequent to the filing of that Form, the registrant or principal has been continuously registered or continuously affiliated with a registrant as a principal.

(c) *Sponsor*. Sponsor means the futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, or leverage transaction merchant which makes the certification required by §§ 3.12, 3.16, or 3.18 for the registration of an associated person of such sponsor.

4. Section 3.2 is amended by revising paragraph (d) to read as follows:

§ 3.2 Registration processing by the National Futures Association; notification and duration of registration.

(d) The registration of each futures commission merchant, leverage transaction merchant and floor broker shall expire on the thirty-first day of March following the date on which registration was granted.

5. Section 3.3 is amended by revising paragraph (a)(3), by redesignating paragraph (a)(5) as paragraph (a)(6), by adding a new paragraph (a)(5), and by revising paragraph (a)(6) as redesignated to read as follows:

§ 3.3 Registration fees; form of remittance.

(a) * * *

(3) *Associated persons*. Each Form 8-R submitted in connection with the registration of an associated person of a futures commission merchant, commodity trading advisor, commodity pool operator or leverage transaction merchant must be accompanied by a fee of \$35.

(5) *Leverage transaction merchants*. Each application for registration, or for renewal thereof, as a leverage transaction merchant must be accompanied by a fee of \$275.

(6) *Branch offices*. A fee of \$6 must be provided for each branch office of a registrant operating within the United States, as specified in any Form 7-R or any Schedule thereto or in any Form 3-R filed with the Commission to report the addition of a branch office. The fee specified by this paragraph (a)(6) must accompany each Form 7-R filed as an application for initial registration or for renewal of registration and each Form 3-R filed to report the addition of a branch office.

6. Section 3.4 is revised to read as follows:

§ 3.4 Registration in one capacity not included in registration in any other capacity.

Except as may be otherwise provided in the Act or in any rule, regulation, or order of the Commission, each futures commission merchant, floor broker, associated person, commodity trading advisor, commodity pool operator, introducing broker, and leverage transaction merchant must register as such under the Act. Registration in one capacity under the Act shall not include registration in any other capacity: *Provided further*, That except as may be provided in any rule, regulation or order of the Commission, registration as an associated person in one capacity shall not automatically include registration as an associated person in any other capacity.

7. Section 3.10 is amended by removing paragraph (c), by redesignating paragraph (d) as paragraph (c), and by revising paragraph (a)(2) to read as follows:

§ 3.10 Registration of futures commission merchants.

(a) * * *

(2) Each Form 7-R filed in accordance with the requirements of paragraph (a)(1) of this section must be accompanied by a Form 8-R, completed in accordance with the instructions thereto and executed by each natural person who is a principal of the applicant, and must be accompanied by the fingerprints of that principal on a fingerprint card provided by the Commission for that purpose. The provisions of this paragraph (a)(2) do not apply to any principal who: (i) Has a current Form 8-R or Form 94 on file with the Commission; or (ii) has submitted or caused to be submitted a Form 8-R and a fingerprint card in accordance with the requirements of this part.

8. Section 3.11 is amended by revising paragraph (b) to read as follows:

§ 3.11 Registration of floor brokers.

(b) *Initial registration*. Application for initial registration as a floor broker must be on form 8-R, completed and filed with the Commission in accordance with the instructions thereto. Each applicant for initial registration as a floor broker must file his fingerprints with the Form 8-R on a fingerprint card provided by the Commission for that purpose except that a fingerprint card need not be filed by any applicant who: (1) Has a current Form 8-R or Form 94 on file with the Commission; or (2) has filed a

fingerprint card in accordance with the requirements of this part.

9. Section 3.12 is amended by revising paragraph (f)(2) to read as follows:

§ 3.12 Registration of associated persons of futures commission merchants and introducing brokers.

(f) *Certain dual and multiple associations prohibited*. No person may be simultaneously associated as an associated person with—

(1) * * *

(2)(i) A futures commission merchant and an introducing broker, (ii) a futures commission merchant and a leverage transaction merchant, or (iii) an introducing broker a leverage transaction merchant;

10. Section 3.13 is amended by removing paragraph (c) and by revising paragraph (a)(2) to read as follows:

§ 3.13 Registration of commodity trading advisors.

(a) * * *

(2) Each Form 7-R filed in accordance with the requirements of paragraph (a)(1) of this section must be accompanied by a Form 8-R, completed in accordance with the instructions thereto and executed by each natural person who is a principal of the applicant, and must be accompanied by the fingerprints of that principal on a fingerprint card provided by the Commission for that purpose. The provisions of this paragraph (a)(2) do not apply to any principal who: (i) Has a current Form 8-R or Form 94 on file with the Commission; or (ii) has submitted or caused to be submitted a Form 8-R and a fingerprint card in accordance with the requirements of this part.

11. Section 3.14 is amended by removing paragraph (c) and by revising paragraph (a)(2) to read as follows:

§ 3.14 Registration of commodity pool operators.

(a) * * *

(2) Each Form 7-R filed in accordance with the requirements of paragraph (a)(1) of this section must be accompanied by a Form 8-R, completed in accordance with the instructions thereto and executed by each natural person who is a principal of the applicant, and must be accompanied by the fingerprints of that principal on a fingerprint card provided by the Commission for that purpose. The provisions of this paragraph (a)(2) do not apply to any principal who: (i) Has a

current Form 8-R or Form 94 on file with the Commission; or (ii) has submitted or caused to be submitted a Form 8-R and a fingerprint card in accordance with the requirements of this part.

12. Section 3.15 is amended by removing paragraph (c) and by revising paragraph (a)(2) to read as follows:

§ 3.15 Registration of introducing brokers.

(a) * * *

(2) Each Form 7-R filed in accordance with the requirements of paragraph (a)(1) of this section must be accompanied by a Form 8-R, completed in accordance with the instructions thereto and executed by each natural person who is a principal of the applicant, and must be accompanied by the fingerprints of that principal on a fingerprint card provided by the National Futures Association for that purpose. The provisions of this paragraph (a)(2) do not apply to any principal who: (1) Has a current Form 8-R or Form 94 on file with the Commission; or (ii) has submitted or caused to be submitted a Form 8-R and a fingerprint card in accordance with the requirements of this part.

13. Section 3.16 is amended by revising paragraph (e)(1) to read as follows:

§ 3.16 Registration of associated persons of commodity trading advisors and commodity pool operators.

* * *

(e) *Reporting of dual and multiple association.* (1) No person may be simultaneously associated with:

(i) A commodity trading advisor and with a futures commission merchant or an introducing broker in violation of § 3.12(f);

(ii) A commodity pool operator and a futures commission merchant or an introducing broker in violation of § 3.12(f);

(iii) A sponsoring commodity trading advisor or commodity pool operator and any other sponsor other than in accordance with the provisions of paragraph (e)(2) of this section;

(iv) A commodity trading advisor and a leverage transaction merchant; or

(v) A commodity pool operator and a leverage transaction merchant.

Provided, however, That the provisions of paragraphs (e)(1) (i)-(iii) of this section shall not apply to any person who is exempt from registration as an associated person of a commodity trading advisor or as an associated person of a commodity pool operator pursuant to the provisions of paragraphs (a)(2) through (a)(6) of this section if that

person is not otherwise required to register as an associated person of a commodity trading advisor or as an associated person of a commodity pool operator.

* * *

14. Section 3.17 is added to 17 CFR Part 3 to read as follows:

§ 3.17 Registration of leverage transaction merchants.

(a) *Initial registration.* (1) Application for initial registration as a leverage transaction merchant must be on Form 7-R, completed and filed with the Commission in accordance with the instructions thereto and the provisions of § 3.13 of this chapter.

(2) Each Form 7-R filed in accordance with the requirements of paragraph (a)(1) of this section must be accompanied by a Form 8-R, completed in accordance with the instructions thereto and executed by each natural person who is a principal of the applicant, and must be accompanied by the fingerprints of that principal on a fingerprint card provided by the Commission for that purpose. The provisions of this paragraph (a)(2) do not apply to any principal who: (i) Has a current Form 8-R or Form 94 on file with the Commission; or (ii) has submitted or caused to be submitted a Form 8-R and a fingerprint card in accordance with the requirements of this part.

(b) *Renewal of registration.*

Application for renewal of registration as a leverage transaction merchant must be on Form 7-R, completed and filed with the Commission in accordance with the instructions thereto.

15. Section 3.18 is added to 17 CFR Part 3 to read as follows:

§ 3.18 Registration of associated persons of leverage transaction merchants.

(a) *Registration required.* It shall be unlawful for any person to be associated with a leverage transaction merchant as an associated person unless that person shall have registered under the Act as an associated person of that sponsoring leverage transaction merchant in accordance with the procedures in paragraph (c) or (d) of this section.

(b) *Duration of registration.* A person registered in accordance with paragraph (c) or (d) of this section and whose registration has neither been suspended nor revoked will continue to be so registered until the cessation of the association of the registrant with, or the revocation, suspension, lapse, or withdrawal of the registration of, the associated person's sponsor.

(c) *Application for registration.* Except as otherwise provided in paragraphs (d) and (f) of this section,

application for registration as an associated person of a leverage transaction merchant must be on Form 8-R, completed and filed in accordance with the instructions thereto.

(1) No person will be registered as an associated person in accordance with this paragraph (c) unless an officer, if the sponsor is a corporation, a general partner, if a partnership, or the sole proprietor, if a sole proprietorship, of such sponsor has signed and dated a certification in writing, stating that:

(i) It is the intention of the sponsor to hire or otherwise employ the applicant as an associated person and that it will do so within thirty days after the receipt of the notification provided in accordance with paragraph (c)(4) of this section and that the applicant will not be permitted to engage in any activity requiring registration as an associated person until the applicant is registered as such in accordance with this section;

(ii) The sponsor has verified the information supplied by the applicant in response to the questions on Form 8-R which relate to the applicant's education and employment history during the preceding five years;

(iii) To the best of the sponsor's knowledge, information, and belief, all of the publicly available information supplied by the applicant on Form 8-R is accurate and complete: *Provided,* That it is unlawful for the sponsor to make the certification required by this paragraph (c)(1)(iii) if the sponsor knew or should have known that any of that information is not accurate and complete; and

(iv) The sponsor has taken, and will take, such measures as are necessary to prevent the unwarranted dissemination of any of the information contained in that Form 8-R, or in the records and documents obtained in support of the certifications required by this section.

(2) The certification required by paragraph (c)(1) of this section must be submitted concurrently with the Form 8-R.

(3) Each Form 8-R filed in accordance with the requirements of paragraph (c) of this section must be accompanied by the fingerprints of the applicant on a fingerprint card provided for that purpose by the Commission.

(4) When the Commission determines that an applicant for registration as an associated person is not unfit for such registration, it will provide notification in writing to the sponsor which has made the certifications required by paragraph (c)(1) of this section that the applicant's registration as an associated person is granted contingent upon the sponsor hiring or otherwise employing the applicant as such within thirty days.

(d) *Special registration procedures for certain persons.* (1) Except as provided in paragraph (f) of this section, any person whose registration as an associated person in another capacity is still in effect, whose registration as an associated person in the same capacity or in another capacity has terminated within the preceding sixty days, and who becomes associated with a sponsoring leverage transaction merchant which makes the certification provided by paragraph (d)(1)(i) of this section will be registered as, and in the capacity of, an associated person of such sponsor upon the mailing by that sponsor to the Commission of written certifications stating:

(i) That such person has been hired or is otherwise employed by that sponsor;

(ii) That such person's registration as an associated person in any capacity is not suspended or revoked;

(iii) That such person is eligible to be registered in accordance with this paragraph (d);

(iv) Whether there is a pending proceeding under Sections 6(b) or 8a of the Act of § 3.20 or former § 1.10e, to deny, suspend, revoke, condition or restrict such person's registration in any capacity or if within the preceding twelve months the Commission has permitted the withdrawal of an application for registration in any capacity after instituting the procedures provided in § 3.20 and, if so, that the sponsor has been given a copy of the complaint or letter issued by the Commission in connection therewith; and

(v) That the sponsor has received a copy of the complaint or letter issued by the Commission if the applicant for registration has certified, in accordance with paragraph (d)(1)(iv) of this section, that there is a proceeding pending against him as described in that paragraph or that the Commission has permitted the withdrawal of an application for registration as described in that paragraph.

(2) The certifications permitted by paragraphs (d)(1)(i) and (d)(1)(v) of this section must be signed and dated by an officer, if the sponsor is a corporation, a general partner, if a partnership or the sole proprietor, if a sole proprietorship. The certifications permitted by paragraphs (d)(1)(ii)-(iv) of this section must be signed and dated by the Applicant for registration as an associated person.

(3) Within sixty days of mailing the certifications permitted by paragraph (d)(1) of this section, the associated person and the sponsor must complete and the sponsor must file with the Commission a Form 8-R in accordance

with the instructions thereto. The Form 8-R must contain the certifications required by paragraphs (c)(1)(ii) through (c)(1)(iv) of this section and must be accompanied by the fingerprint card provided by the Commission for that purpose.

(e) *Retention of records.* The sponsor must retain in accordance with § 1.31 of this chapter such records as are necessary to support the certifications required by this section.

(f) *Certain dual and multiple associations prohibited.* (1) No person may be simultaneously associated as an associated person with—

(i) More than one leverage transaction merchant;

(ii) A leverage transaction merchant and a futures commission merchant;

(iii) A leverage transaction merchant and an introducing broker;

(iv) A leverage transaction merchant and a commodity trading advisor; or

(v) A leverage transaction merchant and a commodity pool operator.

(2) No person may be registered as an associated person of a leverage transaction merchant and registered as a floor broker.

(g) *Petitions for exemption.* (1) Any person adversely affected by the operation of this § 3.18 may file a petition with the Secretary of the Commission, which petition must set forth with particularity the reasons why that person believes that an applicant should be exempted from the requirements of this section and why such an exemption would not be contrary to the public interest and the purposes of the provision from which exemption is sought. The petition will be granted or denied by the Commission on the basis of the papers filed. The Commission may grant such a petition if it finds that the exemption is not contrary to the public interest and the purposes of the provision from which exemption is sought. The petition may be granted subject to such terms and conditions as the Commission may find appropriate.

(2)(i) Until such time as the Commission orders otherwise, the Commission hereby delegates to the Director of the Division of Trading and Markets or the Director's designee the authority to grant or deny petitions filed pursuant to this paragraph (g).

(ii) The Director of the Division of Trading and Markets may submit to the Commission for its consideration any matter which has been delegated to the Director pursuant to paragraph (g)(2)(i) of this section.

16. Section 3.20 is amended by revising paragraphs (a)(1)(ii), (a)(1)(iii),

(a)(1)(v), (b)(2), (d)(1), (d)(2), and (e), to read as follows:

§ 3.20 Delegation of authority to deny registration.

(a) * * *

(1) * * *

(ii) Within ten years preceding the filing of the application has been convicted of a misdemeanor which: (A) Involves any transaction or advice concerning any commodity, contract for future delivery of a commodity, commodity option, leverage transaction, or security; (B) arises out of the conduct of the business of a futures commission merchant, associated person, floor broker, commodity trading advisor, commodity pool operator, leverage transaction merchant, securities broker, securities dealer, municipal securities dealer, transfer agent, clearing agency, securities information processor, investment adviser, investment company, or employee or affiliated person of any of the foregoing; or (C) involves embezzlement, defalcation, fraudulent conversion, misappropriation of funds, securities or other property, forgery, counterfeiting, false pretenses, gambling, or similar crimes reflecting upon the ability of the applicant, if registered, faithfully to discharge the fiduciary duties imposed by the Act; or

(iii) At the time of the application, is permanently or temporarily enjoined by order, judgment or decree of any court of competent jurisdiction, or is prohibited by agreement or settlement with the Commission or the Securities and Exchange Commission, or any State agency or governmental body: (A) From acting as a commodity trading advisor, commodity pool operator, futures commission merchant, floor broker, leverage transaction merchant, securities broker or dealer, municipal securities dealer, transfer agent, clearing agency, securities information processor, investment adviser, investment company, or as an associated or affiliated person or employee of any of the foregoing; or (B) from engaging in or continuing any conduct or practice in connection with any such activity or involving any transaction or advice concerning commodities, contracts for future delivery of commodities, commodity options, leverage transactions, or securities; or

* * *

(v) Is subject to an outstanding order of the Commission denying trading privileges on any contract market to such person, or suspending or revoking the registration of such person as a commodity trading advisor, commodity

pool operator, futures commission merchant, floor broker, leverage transaction merchant, or associated person, or suspending or expelling such person from membership on any contract market or futures association registered under the Act, or refusing such person registration in any capacity;

(b) ***

(2) The allegations set forth in the notice, if true, constitute a basis upon which the applicant may be found unfit for registration pursuant to Section 8a or, if the applicant is applying for registration as a leverage transaction merchant or associated person thereof, Section 19 of the Commodity Exchange Act, and upon which the applicant's registration may be denied;

(d) ***

(1) In the case of an applicant for an initial registration, pursuant to authority hereby delegated by the Commission, the Executive Director may determine the applicant's fitness for registration and may issue an order, pursuant to Section 8a or, if the applicant is applying for registration as a leverage transaction merchant or associated person thereof, Section 19 of the Commodity Exchange Act, granting or refusing registration to the applicant based upon the application, the notice with proof of service, and an appropriate showing that a hearing has not been requested.

(2) In the case of an applicant for renewal of a registration previously granted, the Executive Director may transmit to the Chief Administrative Law Judge a true copy of the application, the notice with proof of service, and an appropriate showing that a hearing has not been requested, and, based thereon, the Chief Administrative Law Judge, pursuant to authority hereby delegated by the Commission, may determine the applicant's fitness for registration and may issue an order, pursuant to Section 8a or, if the applicant is applying for registration as a leverage transaction merchant or associated person thereof, Section 19 of the Commodity Exchange Act, granting or refusing registration to the applicant.

(e) Notwithstanding any other provision contained in this section, the Executive Director is hereby delegated authority pursuant to Section 8a or, if the applicant is applying for registration as a leverage transaction merchant or associated person thereof, Section 19 of the Commodity Exchange Act, to enter an order refusing to register any person if the prior registration of such person has been suspended (and the period of

such suspension shall not have expired) or has been revoked.

17. Section 3.21 is amended by revising paragraphs (a) and (b)(3) to read as follows:

§ 3.21 Exemption from fingerprinting requirement in certain cases.

(a) Any person who is required by this part to submit a fingerprint card may file, or cause to be filed, in lieu of such card: (1) A legible, accurate and complete photocopy of a fingerprint card which has been submitted to the Federal Bureau of Investigation for identification and appropriate processing and of each report, record, and notation made available by the Federal Bureau of Investigation with respect to that fingerprint card if such identification and processing has been completed satisfactorily by the Federal Bureau of Investigation not more than ninety days prior to the filing with the Commission of the National Futures Association of the photocopy; or (2) a statement that such person's application for initial registration in any capacity was granted within the preceding ninety days; *Provided*, That the provisions of paragraph (a)(2) shall not be applicable to any person who, by Commission rule, regulation, or order, was not required to file a fingerprint card in connection with such application for initial registration.

(b) ***

(3) *With respect to the fingerprints of a principal:* An officer, if the futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant with which the principal will be affiliated is a corporation, a general partner, if a partnership, or the sole proprietor, if a sole proprietorship.

18. Section 3.30 is revised to read as follows:

§ 3.30 Current address for purpose of delivery of communications from the Commission.

The address of each registrant, applicant for registration and principal, as submitted on the application for registration (Form 7-R or Form 8-R) or as submitted on the biographical supplement (Form 8-R) shall be deemed to be the address for delivery to the registrant, applicant or principal of any communications from the Commission, including any summons, complaint, reparation claim, order, subpoena, special call, request for information, notice, and other written documents or correspondence, unless the registrant, applicant or principal specifies another address for this purpose: *Provided*, That

the Commission may address any correspondence relating to a biographical supplement submitted for or on behalf of a principal to the futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant with which the principal is affiliated and may address any correspondence relating to the registration of an associated person to the futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant with which the associated person or the applicant for registration is or will be associated as an associated person. Each registrant, while registered, and each principal, while affiliated with a registrant, must keep current the address on the application for registration, biographical supplement, or other address filed with the Commission or with the National Futures Association for the purpose of receiving communications from the Commission. An order of default or other appropriate relief may be entered in any proceeding, including a reparation proceeding commenced while the registrant is registered or within two years thereafter, for failure to file a required response to any communication sent to the latest such address filed with the Commission or with the National Futures Association.

19. Section 3.31 is amended by revising paragraphs (a), (b), (c)(1), and (c)(2)(i) to read as follows:

§ 3.31 Deficiencies, inaccuracies, and changes, to be reported.

(a) Each applicant or registrant as a futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant must, in accordance with the instructions thereto, promptly correct any deficiency or inaccuracy in Form 7-R or Schedules A, B or C of Form 7-R which no longer renders accurate and current the information contained therein. Each such correction must be made on Form 3-R and must be prepared and filed in accordance with the instructions thereto.

(b) Each applicant or registrant as a floor broker or associated person and each principal of a futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant must, in accordance with the instructions thereto, promptly correct any deficiency or inaccuracy in the Form 8-R or supplemental statement

thereto which no longer renders accurate and current the information contained in the Form 8-R or supplemental statement. Each such correction must be made on Form 3-R and must be prepared and filed in accordance with the instructions thereto.

(c)(1) After the filing of a Form 8-R, a Certificate of Special Registration (Form 8-S), or a Form 3-R by or on behalf of any person for the purpose of permitting that person to be an associated person of a futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant, that futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant must, within twenty days after the occurrence of either of the following, file a notice thereof with the Commission or in the case of an introducing broker, with the National Futures Association, indicating: (i) The failure of that person to become associated with the futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant, and the reasons therefor; or (ii) the termination of the association of the associated person with the futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant, and the reasons therefor.

(2)(i) Each person registered as, or applying for registration as, a futures commission merchant, commodity trading advisor, commodity pool operator, or leverage transaction merchant must, within twenty days after the termination of the affiliation of a principal with the registrant or applicant, file a notice thereof with the Commission.

* * *

20. Section 3.32 is amended by revising paragraph (a) to read as follows:

§ 3.32 Changes requiring new registration.

A new registration is required in the event of a change:

(a) In the name of the registrant if the registrant is a futures commission merchant, commodity trading advisor, commodity pool operator, introducing broker, or leverage transaction merchant.

* * *

21. Section 3.33 is amended by redesignating paragraph (b)(7)(v) as

paragraph (b)(7)(vi), by redesignating paragraph (vi) as paragraph (vii), by adding a new paragraph (b)(7)(v), and by revising paragraphs (b)(7)(vi) and (c) to read as follows:

§ 3.33 Withdrawal from registration.

* * *

(b) * * *
(7) * * * *

(v) In the case of a leverage transaction merchant: (A) Either that all leverage customer agreements, if any, and all leverage contracts have been terminated, and that all leverage customer cash balances, securities or other property, if any, have been returned, or (B) alternatively, that pursuant to Commission approval, the leverage contract obligations of the leverage transaction merchant have been assumed by another leverage transaction merchant and all leverage customer cash balances, securities or other property, if any, have been transferred to such leverage transaction merchant on behalf of leverage customers or returned, and that there are no obligations to leverage customers outstanding;

(vi) The nature and extent of any pending customer, option customer, leverage customer, or commodity pool participant claims against the registrant, and, to the best of the registrant's knowledge and belief, the nature and extent of any anticipated or threatened customer, option customer, leverage customer, or commodity pool participant claims against the registrant; and

(c)(1) Where a futures commission merchant or an introducing broker which is not operating pursuant to a guarantee agreement is requesting withdrawal from registration in that capacity and the basis for withdrawal under paragraph (a)(1) of this section is that it has ceased engaging in activities requiring registration, the request for withdrawal must be accompanied by a form 1-FR which contains the information specified in § 1.10(d)(1) of this chapter as of a date not more than 30 days prior to the date of the withdrawal request: *Provided, however*, That if such registrant is also registered with the Securities and Exchange Commission as a securities broker or dealer, it may file a copy of its Financial and Operational Combined Uniform Single Report under the Securities Exchange Act of 1934, Part II or Part IIA (in accordance with § 1.10(h) of this chapter), in lieu of form 1-FR: *And, provided further*, That if such introducing broker is also a country elevator, it may file a copy of a financial report prepared by a grain commission

firm (in accordance with § 1.10(i) of this Chapter), in lieu of form 1-FR. Any financial report submitted pursuant to this paragraph (c)(1) must contain the information specified in § 1.10(d)(1) of this chapter as of a date not more than 30 days prior to the date of the withdrawal request.

(2) Where a leverage transaction merchant is requesting withdrawal from registration in that capacity and the basis for withdrawal under paragraph (a)(1) of this section is that it has ceased engaging in activities requiring registration, the request for withdrawal must be accompanied by a form 2-FR which contains the information specified in § 31.13(f) of this chapter as of a date not more than 30 days prior to the date of the withdrawal request.

* * *

22. Section 3.34 is added to 17 CFR Part 3 to read as follows:

§ 3.34 Addition of principals.

Within twenty days after any natural person becomes a principal of an applicant or registrant subsequent to the filing of a Form 7-R in accordance with the requirements set forth in §§ 3.10 (a) or (b), 3.13 (a) or (b), 3.14 (a) or (b), 3.15 (a) or (b), or 3.17 (a) or (b) of this chapter, the applicant or registrant must file a Form 8-R with the Commission. The Form 8-R must be completed by such principal in accordance with the instructions thereto and must be accompanied by the fingerprints of that principal on a fingerprint card provided by the Commission, or the National Futures Association if the applicant or registrant is an introducing broker, for that purpose. This filing need not be made for any such principal who: (1) Has a current Form 8-R or Form 94 on file with the Commission; or (2) has otherwise submitted or caused to be submitted a Form 8-R and a fingerprint card in accordance with the requirements of this part: *Provided*, That the applicant or registrant must notify the Commission, or the National Futures Association if the applicant or registrant is an introducing broker, within twenty days of the name of such added principal on Form 3-R.

PART 4—COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS

23. Section 4.14 is amended by adding paragraph (a)(7) to read as follows:

§ 4.14 Exemption from registration as a commodity trading advisor.

(a) * * *

(7) It is registered under the Act as a leverage transaction merchant and the

person's trading advice is solely in connection with its business as a leverage transaction merchant.

PART 31—LEVERAGE TRANSACTIONS

24. Part 31 is amended by redesignating § 31.03 as § 31.3 and by adding §§ 31.4–31.24 to read as follows:

- Sec.
- 31.4 Definitions.
 - 31.5 Unlawful conduct.
 - 31.6 Registration of leverage commodities.
 - 31.7 Maintenance of minimum financial, cover and segregation requirements by leverage transaction merchants.
 - 31.8 Cover of leverage contracts.
 - 31.9 Minimum financial requirements.
 - 31.10 Repurchase of leverage contracts by leverage transaction merchants.
 - 31.11 Disclosure.
 - 31.12 Segregation.
 - 31.13 Financial reports of leverage transaction merchants.
 - 31.14 Recordkeeping.
 - 31.15 Reporting to leverage customers.
 - 31.16 Monthly reporting requirements.
 - 31.17 Records of leverage transactions.
 - 31.18 Margin calls.
 - 31.19 Unlawful representations.
 - 31.20 Prohibition of guarantees against loss.
 - 31.21 Leverage contracts entered into prior to effective date of these regulations; subsequent transactions.
 - 31.22 Prohibited trading in leverage contracts.
 - 31.23 Limited right to rescind first leverage contract.
 - 31.24 Petitions for exemption.

Authority: Sec. 103(a), Pub. L. 93–463, 88 Stat. 1392 (7 U.S.C. 12a(5) (1982)); sec. 19, Pub. L. 95–405, 96 Stat. 876–877 as amended by sec. 234, Pub. L. 97–444, 96 Stat. 2322 (1983) (7 U.S.C. 23 (1982)).

§ 31.4 Definitions.

For the purposes of this part:

- (a) [Reserved];
- (b) [Reserved];
- (c) "Promotional material" includes:
 - (1) Any text of a standard oral presentation, or any communication for publication in any newspaper, magazine or similar medium or for broadcast over television, radio, or other electronic medium which is disseminated or directed to a leverage customer or prospective leverage customer; (2) any standardized form of report, letter, circular, memorandum, or publication which is disseminated or directed to a leverage customer or prospective leverage customer; or (3) any other written literature or advice disseminated or directed to a leverage customer or prospective leverage customer for the purpose of soliciting the entry into a leverage contract;
 - (d) "Leverage customer" means any person who, directly or indirectly, enters into, purchases, or otherwise acquires

for value any interest in a leverage contract from a leverage transaction merchant;

- (e) [Reserved];
- (f) "Commercial leverage account" means an account of a commercial enterprise, such as a producer, processor, dealer or end user of a leverage commodity which is the subject of a leverage contract, or the products or by-products thereof;

(g) "Leverage commodity" means a commodity which is the subject of a leverage contract offered for sale or sold by a particular leverage transaction merchant, the value of which is reflected in a widely accepted and disseminated commercial or retail cash price series for cash market transactions, which price series reasonably reflects the price for the leverage commodity which the customer can expect to receive in normal commercial or retail market channels, including, if applicable, specified premiums or discounts; each leverage commodity is defined by reference to the following distinguishing characteristics:

- (1) For gold and silver bullion and gold and silver bulk coins:
 - (i) The nominal size, composition and tolerable ranges of the delivery pack or the actual size, composition and tolerable range of the component of the delivery pack;
 - (ii) Minimum guaranteed quality, deliverable countries of origin, deliverable markings or imprints, and deliverable refiners or mints;
 - (iii) The method of pricing; and
 - (iv) The delivery specifications or alternatives including type and location of delivery facilities, packaging, transportation, registration and associated costs.
- (2) For platinum, electrolytic copper cathodes, electrolytic copper in wire bars, cakes, slabs, billets, ingots or ingot bars, for lake copper in the same forms, for fire-refined copper in the same forms, and for fire-refined high conductivity copper in ingots or ingot bars, the same distinguishing characteristics as set forth in § 31.4(g)(1) apply.
- (3) For Deutsche marks, Japanese yen, Swiss francs, and British pounds:
 - (i) The amount and country of origin;
 - (ii) The delivery specifications or alternatives including:
 - (A) The manner of delivery and delivery point if hand-to-hand currency;
 - (B) The manner of delivery, delivery point, bank and branch on which drawn, and type of draft if bank draft; or
 - (C) The required payment instructions if a deposit to a leverage customer's foreign demand account.

(h) "Ask price of a leverage contract" means the price at which a leverage transaction merchant sells or is willing to sell a leverage contract to a leverage customer;

(i) "Bid price of a leverage contract" means the price at which a leverage transaction merchant repurchases or is willing to repurchase a leverage contract from a leverage customer;

(j) "Bid-ask spread of a leverage contract" means the difference between a leverage transaction merchant's ask price and bid price;

(k) "Initial charges for a leverage contract" includes all fees and commissions payable to a leverage transaction merchant which are incurred when a leverage contract is initially entered into by a leverage customer;

(l) "Carrying charges for a leverage contract" includes all service and interest charges paid periodically by a leverage customer to a leverage transaction merchant, or accrued by a leverage transaction merchant, while a leverage contract remains open;

(m) "Termination charges for a leverage contract" includes all fees and commissions payable to a leverage transaction merchant which are associated with the liquidation, repurchase or settlement by delivery on a leverage contract;

(n) "Liquidation of a leverage contract" means the unilateral termination of a leverage contract by a leverage transaction merchant due to a leverage customer's failure to meet one or more margin calls or to make other required deposits on a timely basis or as otherwise permitted under § 31.18;

(o) "Repurchase of a leverage contract" means the voluntary termination of a leverage contract by mutual agreement between the leverage customer and the leverage transaction merchant, which agreement is effected by entering into a transaction which is the opposite of the initial transaction;

(p) "Delivery on a leverage contract" means the taking of delivery by a leverage customer of the commodity subject to a leverage contract;

(q) "Initial leverage margin" means the amount of funds, excluding initial charges, which a leverage customer is required to deposit with a leverage transaction merchant when entering into a leverage contract;

(r) "Minimum or maintenance leverage margin" means the minimum amount of funds which a leverage transaction merchant requires a leverage customer to maintain on deposit for each open leverage contract in the leverage customer's account and the level to which the funds in a

leverage customer's account must be restored after a margin call to the leverage customer has been effected by the leverage transaction merchant;

(s) [Reserved];

(t) "Leverage account equity" means the amount equal to the value of all open leverage contracts in the leverage customer's account, based on the leverage transaction merchant's current bid prices for such contracts, less the amount owed to the leverage transaction merchant by the leverage customer pursuant to such contracts;

(u) [Reserved];

(v) [Reserved];

(w) "Leverage contract" means a contract, standardized as to terms and conditions, for the long-term (ten years or longer) purchase by a leverage customer of a leverage commodity which provides for:

(1) Participation by the leverage transaction merchant as a principal in each leverage transaction;

(2) Initial and maintenance margin payments by the leverage customer;

(3) Periodic payment by the leverage customer or accrual by the leverage transaction merchant of a carrying charge or fee on the unpaid balance;

(4) Delivery of a commodity in an amount and form which can be readily resold in normal commercial or retail channels;

(5) Delivery of the leverage commodity after satisfaction of the balance due on the contract by the leverage customer; and

(6) Determination of the contract purchase and repurchase prices by the leverage transaction merchant; and

(x) "Leverage transaction" means the sale of any leverage contract, the repurchase of any leverage contract, the delivery of the leverage commodity, or the liquidation of any such leverage contract by the leverage transaction merchant.

§ 31.5 Unlawful conduct.

(a) On and after the effective date of this section, it shall be unlawful for any person:

(1) To offer to enter into, enter into or confirm the execution of a leverage contract to or with a leverage customer, or to solicit or accept a leverage customer's order for a leverage contract, or to accept any leverage customer funds from a leverage customer to enter into or maintain a leverage contract, unless the leverage commodity which is the subject of the leverage contract has been registered with the Commission in accordance with § 31.6;

(2) Except as provided in paragraph (a)(3) of this section, to offer to enter into, enter into or confirm the execution

of a leverage contract to or with a leverage customer, or to solicit or accept a leverage customer's order for a leverage contract, or to accept any leverage customer funds from a leverage customer to enter into or maintain a leverage contract, unless that person is registered with the Commission in accordance with § 3.17 of this chapter and that registration has not expired, been suspended (and the period of suspension has not expired) or been revoked; or

(3) Except as provided in paragraph (a)(2) of this section, if such person is a natural person, to offer to enter into, enter into or confirm the execution of a leverage contract to or with a leverage customer, or to solicit or accept a leverage customer's order (other than in a clerical capacity) for a leverage contract, or to supervise any person or persons so engaged, unless that person is registered with the Commission in accordance with § 3.18 of this chapter and that registration has not expired, been suspended (and the period of suspension has not expired) or been revoked.

(b) On and after the effective date of this section, it shall be unlawful for any leverage transaction merchant to permit any natural person to become or remain associated with it as a partner, officer or employee (or in any similar status or position involving similar functions) in any capacity, which involves the offering to enter into, the entry into, or the confirmation of the execution of a leverage contract with a leverage customer, or the solicitation or acceptance of a leverage customer's order (other than in a clerical capacity) for a leverage contract, or the supervision of any person or persons so engaged, if the leverage transaction merchant knew or should have known that the person was not registered with the Commission in accordance with § 3.18 of this chapter or that the person's registration had expired, been suspended (and the period of suspension had not expired) or been revoked.

(c) *Compliance period for existing leverage transaction merchants.* Notwithstanding the provisions of paragraph (a) of this section, any person who is lawfully engaged in business as a leverage transaction merchant in accordance with the provisions of §§ 31.1 and 31.2 on the date of the publication of this section in the **Federal Register** and who, within sixty (60) days after such effective date: (i) Files an application to register a leverage commodity in accordance with the provisions of § 31.6; (ii) files an application for registration as a leverage transaction merchant in accordance

with the provisions of § 3.17 of this chapter; and (iii) files concurrently with its application for registration as a leverage transaction merchant the documentation required by paragraph (e) of this section, may continue to engage in business as a leverage transaction merchant pending a final determination by the Commission. Such person must also comply with the requirements of paragraph (d) of this section.

(d) *Compliance period for associated persons of leverage transaction merchants.* Notwithstanding the provisions of paragraph (a) of this section, any person who is lawfully engaged in business as a leverage transaction merchant in accordance with §§ 31.1 and 31.2 on the date of publication of this section in the **Federal Register** must, within thirty (30) days after such effective date, file with the Commission a certification signed and dated by an officer, if the sponsor is a corporation, a general partner, if a partnership, or the sole proprietor, if a sole proprietorship, of such sponsor, stating:

(1) The name of each individual who will be associated with the leverage transaction merchant as an associated person and a statement to the effect that each such individual was associated with the leverage transaction merchant or an affiliated futures commission merchant on the date of publication of this section in the **Federal Register**;

(2) That the leverage transaction merchant has submitted or will cause to be submitted within sixty (60) days after the effective date of this section, a Form 8-R and a fingerprint card for each individual listed in accordance with paragraph (d)(1) of this section: *Provided*, That a fingerprint card need not be filed on behalf of any such individual if that individual is currently registered as an associated person of a futures commission merchant affiliated with the leverage transaction merchant;

(3) That none of those individuals has answered "Yes" to any of the questions in the Disciplinary History portion of the Form 8-R; and

(4) That none of those individuals is subject to a statutory disqualification, as set forth in Section 8a(2) of the Act.

The certification described in this section shall be filed with the Commission at 2033 K Street, NW., Washington, D.C. 20581, Attention: Director, Division of Trading and Markets.

(e) *Demonstration of compliance with the temporary moratoria on leverage transactions.*

(1) Each applicant for registration with the Commission as a leverage transaction merchant shall submit to the Commission, in accordance with paragraph (e)(3) of this section, the documentation specified in paragraph (e)(2) of this section in order to demonstrate either:

(i) That on June 1, 1978 such applicant was engaged in the business of offering to enter into, entering into or confirming the execution of, any leverage transaction in the United States for the delivery of silver bullion, gold bullion, bulk silver coins or bulk gold coins; or

(ii) That on February 2, 1979 such applicant was engaged in the business of offering to enter into, entering into or confirming the execution of, any leverage transaction in the United States for the delivery of platinum, copper, Deutsche marks, Japanese yen, Swiss francs, or British pounds.

(2) The following documentation must be submitted with respect to each leverage contract and commodity for which the applicant is seeking approval:

(i) A certified copy of the organizational documents required to be filed in the state, territory or possession of the United States in accordance with which laws the applicant was formed and a certificate of good standing therefor as of a date not more than 30 days prior to the date of the submission or, in the case of a partnership or sole proprietorship for which no organizational filing is required under state law, an opinion of counsel to such effect, and other evidence sufficient to demonstrate the date of formation and continuation of the leverage business of such partnership or sole proprietorship;

(ii) The customer list of the applicant as of the date specified in §§ 31.1 or 31.2, as may be appropriate, for each leverage contract and leverage commodity the applicant claims to have offered;

(iii) A copy of at least one contract entered into or offered to be entered into with a leverage customer on or prior to the dates specified in §§ 31.1 or 31.2, as may be appropriate, for each leverage commodity for which registration is sought, which contract must be accompanied by an affidavit from the customer whose signature appears thereon attesting to the date of the leverage transaction or a statement as to why such affidavit is unobtainable; and

(iv) An affidavit of an appropriate person on behalf of the applicant, which shall be the chairman or chief executive officer or similar person in the case of a corporation, a general partner in the case of a partnership, or the sole proprietor in the case of a sole proprietorship, stating:

(A) That the applicant is in compliance with the temporary moratoria set forth in §§ 31.1 or 31.2 of the Commission's regulations;

(B) The nature of the applicant's business, including the percentage of its business it claims was leverage business with respect to each leverage contract and leverage commodity it claims to have offered as of June 1, 1978 or February 2, 1979, as may be appropriate;

(C) The annual income generated from leverage transactions for each year since the applicant claims to have commenced a leverage business with respect to each leverage contract and leverage commodity offered by such applicant;

(D) That upon request the applicant will make its books and records or financial ledgers for the 2-year period commencing one year preceding the date set forth in §§ 31.1 or 31.2, as may be appropriate, available to inspection by representatives of the Commission at the regional office of the Commission nearest the principal place of business of the applicant; and

(E) That all of the information provided to the Commission under this section is true and accurate.

(3) For purposes of this paragraph (e), three copies of the information required to be filed with the Commission shall be filed with the Secretary of the Commission at 2033 K Street, NW., Washington, D.C. 20581. Attention: Director of the Division of Trading and Markets.

(f) *Denial, suspension, or revocation of registration of a leverage commodity.* The failure or refusal of any leverage transaction merchant to comply with any of the provisions of the Act or any of the Commission's rules, regulations, or orders thereunder shall be cause for refusing to register a leverage commodity, for suspending registration of a leverage commodity for a period not to exceed six months, and for revoking registration of such leverage commodity with respect to that leverage transaction merchant. Any such denial, suspension, or revocation proceedings shall be conducted in accordance with the procedures set forth in Sections 6 and 6(a) of the Act.

(g) *Denial, suspension, or revocation of registration of leverage transaction merchants or persons associated therewith.* The Commission may refuse to register or may register conditionally any person seeking registration under §§ 3.17 or 3.18 of this chapter, and may suspend, place restrictions upon, or revoke the registration of any person under these sections, if it is found that the applicant or registrant is unfit to become or to remain registered because

of the existence of any of the bases upon which the Commission is authorized to refuse, condition, suspend, restrict, or revoke registration under Section 6(b) or 8a of the Act, or, in the case of a leverage transaction merchant, for failure to meet the minimum financial requirements under § 31.9 or to make the other required demonstrations for registration; *Provided*, That pending final determination of an applicant's fitness for registration, registration shall not be granted.

§ 31.6 Registration of leverage commodities.

(a) *Registration of leverage commodities.* Each leverage commodity upon which a leverage contract is offered for sale or sold by a particular leverage transaction merchant must be separately registered with the Commission. Registration will be granted only when the following conditions are, and continue to be, met:

(1) The person requesting registration of a leverage commodity is a registered leverage transaction merchant or is permitted to continue in business pending registration in accordance with § 31.5(c);

(2) The commodity to be registered is a leverage commodity as defined in § 31.4(g);

(3) There exists a widely accepted and broadly disseminated commercial or retail cash price series for the commodity;

(4) The commodity is readily salable in normal commercial or retail channels by leverage customers taking delivery on a leverage contract; and

(5) The terms and conditions of the leverage contracts based on the leverage commodity are consistent with the Act and the regulations thereunder, and are not contrary to the public interest.

(b) *Application for registration.*

Applications to register leverage commodities should be filed with the Commission at its Washington, D.C., headquarters. Attn: Secretariat. Three copies of each such submission should be filed. The Commission may return any application which does not comply with the form and content requirements of this section. Each applicant must:

(1) Provide evidence that the person applying for registration of the leverage commodity is registered, or is permitted to continue in business pending registration in accordance with § 31.5(c), or has applied to the Commission for registration as a leverage transaction merchant;

(2) Provide an explanation of the distinguishing characteristics of the leverage commodity for which

registration is sought, including a complete description of the cash market for the leverage commodity, and for the cash, forward, and futures markets for the generic commodity;

(3) Specify a commercial or retail cash price series including prevailing premiums or discounts governing cash market transactions in the quantities specified by the leverage contract and justify the use of such price series with respect to the particular leverage commodity for which registration is sought;

(4) Provide evidence and a complete evaluation of how the distinguishing characteristics of the leverage commodity would be expected to affect the commodity's salability, at an economic price, in normal cash market channels for leverage customers electing to take delivery;

(5) Include a description of the commodity inspection and/or certification procedures typically required for commercial or retail sales of the specified commodity. Such description must be accompanied by information regarding the availability of any normally required certification or inspection service at the delivery points; and

(6) Include copies of all leverage contracts which are to be offered by the leverage transaction merchant on the leverage commodity.

(c) *Continuing registration of leverage commodities.* A registered leverage transaction merchant must submit to the Commission for its review, at least forty-five (45) days before their effective date, any proposed changes in the specifications of the leverage commodity and the terms and conditions of the leverage contract from those submitted as part of the registration application unless such contract specifically provides that such terms and conditions are subject to change. Three copies of each such submission must be furnished to the Commission at its Washington, D.C., headquarters. Attn: Secretariat. The Commission may return any submission which does not comply with the form and content requirements of this section. Each such submission must, in the following order:

(1) Explain how any such changes might affect the ability of leverage customers to realize the leverage commodity's economic value and how such amendments might affect the salability of the leverage commodity by leverage customers taking delivery on a leverage contract;

(2) Explain the effect of such changes upon the continued appropriateness of the commercial or retail cash price

series submitted pursuant to paragraph (b)(3) of this section or, as an alternative, submit a new price series and a justification of its use; and

(3) Indicate whether, if such changes are applied to existing leverage commodities, there will be a change in the economic value of such commodities and, if so, quantify the extent of such changes.

(d) *Authority to disapprove amendments.* The Commission may disapprove, alter, or amend changes to the distinguishing characteristics of the registered leverage commodity, or to the terms and conditions of the leverage contracts offered thereon, after appropriate notice and opportunity for hearing, when the Commission determines that such a change is in violation of any of the provisions of the Act or any of the regulations thereunder, or that it is necessary or appropriate to ensure the financial solvency of leverage transactions or prevent manipulation or fraud. Upon notification by the Commission of its determination to disapprove, alter or amend such changes, the proposed changes will not become effective pending a final determination by the Commission to disapprove, alter, or amend such changes.

(e) *Authority to alter or amend specifications of the registered leverage commodity or the terms and conditions of leverage contract.* The Commission may alter or amend specific distinguishing characteristics of the registered leverage commodity or the terms and conditions of leverage contracts after appropriate notice and opportunity for hearing when the Commission determines that, in light of intervening events, such alterations or amendments would be necessary or appropriate to ensure the financial solvency of leverage transactions or prevent manipulation or fraud.

(f)(1) The Commission hereby delegates to the Director of the Division of Economics and Education until such time as the Commission orders otherwise, all functions reserved to the Commission in paragraphs (b) and (c) of this section.

(2) The Director of the Division of Economics and Education may submit any matter which has been delegated to the Director under paragraph (f)(1) of this section to the Commission for its consideration.

§ 31.7 Maintenance of minimum financial, cover and segregation requirements by leverage transaction merchants.

(a) Each person registered as a leverage transaction merchant or who files an application for registration as a

leverage transaction merchant, who knows or should have known that its adjusted net capital at any time is less than the minimum required by § 31.9, or that its cover at any time is less than the minimum required by § 31.8, or that the amount of leverage customer funds in segregation is less than is required by § 31.12 or by the capital, cover or segregation rules of any designated self-regulatory organization to which such person is subject, if any, must:

(1) Give telegraphic notice as set forth in § 1.12(g) of this chapter that such applicant's or registrant's adjusted net capital is less than is required by § 31.9, or its cover is less than is required by § 31.8, or the amount of leverage customer funds in segregation is less than is required by § 31.12 or by such other capital, cover or segregation rule, identifying the applicable capital, cover or segregation rule. This notice must be given within 24 hours after such applicant or registrant knows or should have known that its adjusted net capital or its cover or the amount of leverage customer funds in segregation is less than is required by any of the aforesaid rules to which such applicant or registrant is subject; and

(2) Within 24 hours after giving such notice file a statement of financial condition, a statement of the computation of the minimum capital requirements pursuant to § 31.9 (computed in accordance with the applicable capital rule), a schedule of coverage requirements and coverage provided, and a schedule of segregation requirements and funds on deposit in segregation, all as of the date such applicant's or registrant's adjusted net capital or its cover or the amount of leverage customer funds in segregation became less than the minimum required.

(b) Each person registered as a leverage transaction merchant, or who files an application for registration as a leverage transaction merchant, who knows or should have known that its adjusted net capital at any time is less than 120 percent of the amount required by § 31.9 must file written notice to that effect as set forth in § 1.12(g) of this chapter within five business days of such event. Such applicant or registrant must also file a Form 2-FR or such other financial statement designated by the Commission and/or the designated self-regulatory organization, if any, as of the close of business for the month during which such event takes place and as of the close of business for each month thereafter until three successive months have elapsed during which the applicant's or registrant's adjusted net capital is at all times equal to or in

excess of the minimums set forth in this paragraph (b). Each financial report required by this paragraph (b) must be filed within 30 calendar days after the end of the month for which such report is being made.

(c) The requirements of §§ 1.112(c), 1.12(d), 1.12(e) and 1.12(g) of this chapter shall apply to registered leverage transaction merchants and to persons who have applied for registration as leverage transaction merchants, as if in those paragraphs the term "leverage transaction merchant" were substituted for the term "futures commission merchant."

§ 31.8 Cover of leverage contracts.

(a)(1) Each leverage transaction merchant must at all times maintain cover of at least 90 percent of the amount of physical commodities subject to open leverage contracts entered into with leverage customers, and at least 25 percent of the amount of physical commodities subject to open leverage contracts entered into with leverage customers must be covered by the types of permissible cover set forth in paragraphs (a)(2) (i) and (ii) of this section.

(2) Permissible cover for a leverage contract is limited to:

(i) Warehouse receipts for the leverage commodity subject to the leverage contract held in commercial banks located in the United States or in approved contract market depositories; *Provided*, That the balance of the principal and accrued interest on any loan against such warehouse receipts does not exceed 70 percent of the current market value of the commodity represented by each receipt.

(ii) Warehouse receipts for gold bullion in the case of leverage contracts for bulk gold coins, bulk gold coins in the case of leverage contracts for gold bullion, silver bullion in the case of leverage contracts on bulk silver coins and bulk silver coins in the case of leverage contracts on silver bullion, which are held in commercial banks located in the United States or in approved contract market depositories; *Provided*, That the balance of the principal and accrued interest on any loans against such warehouse receipts does not exceed 70 percent of the current market value of the commodity for which it represents cover.

(iii) (A) Purchases for future delivery on or subject to the rules of a contract market of the same generic commodity subject to the leverage contract, or of the same alternative commodities provided for in paragraph (a)(2)(ii) of this section; or (B) purchases of call commodity options for the same generic

commodity subject to the leverage contract, or of the same alternative commodities provided for in paragraph (a)(2)(ii) of this section, on or subject to the rules of a contract market in accordance with the provisions of Part 33 of this chapter: *Provided*, That the market value of the actual commodity or futures contract which is the subject of such option is more than the value of the underlying commodity based on the strike price of the option.

(b) Such leverage transaction merchant must be in compliance with paragraph (a) of this section at all times and must be able to demonstrate such compliance to the satisfaction of the Commission and/or the designated self-regulatory organization. A leverage transaction merchant who is not in compliance with paragraph (a) of this section or is unable to demonstrate such compliance must immediately cease engaging in the business of offering to enter into, entering into, or confirming the execution of, any leverage contract until such time as the leverage transaction merchant is able to demonstrate such compliance. Nothing in this paragraph (b) shall be construed as preventing the Commission from taking action against a leverage transaction merchant for non-compliance with any of the provisions of this section.

(c) The amount of cover which is actually maintained by a leverage transaction merchant, and the amount of cover which must be maintained by a leverage transaction merchant in order to comply with the requirements of this section, shall be computed as of the close of each business day by the leverage transaction merchant. A written record of this computation shall be made and kept, together with all supporting data, in accordance with the provisions of § 1.31 of this chapter. This daily computation shall be made by noon on the next business day and shall be computed in a format identical to the Schedule of Coverage Requirements and Coverage Provided contained in Form 2-FR. In computing the amount of cover actually maintained, the leverage transaction merchant shall include only those warehouse receipts which are unencumbered or against which the balance of the principal and accrued interest on cash loans for which such receipts serve as collateral does not exceed 70 percent of the current market value of the commodities underlying such receipts.

(d) A leverage transaction merchant who uses as collateral for cash loans warehouse receipts held as cover for leverage contracts shall maintain a

separate record for such loans which contains the following information:

- (1) The date on which the loan was made;
- (2) The name of the commercial bank or futures commission merchant making such loan;
- (3) The purpose for which the loan was made;
- (4) The amount of the loan;
- (5) The interest rate on the loan;
- (6) The loan's maturity date;
- (7) The date of any partial or complete liquidation of the loan; and
- (8) A description of the warehouse receipt collateralizing such loan including the receipt number, the issuer's name, and the total quantity of the commodity covered by the warehouse receipt. Such loans shall be evidenced in a written agreement executed by the leverage transaction merchant and the lender. The leverage transaction merchant shall retain such agreement and any related notes in accordance with the requirements of § 31.14 of this part.

(e) The requirements of paragraphs (a) through (d) of this section shall not be applicable if the leverage transaction merchant is a member of a designated self-regulatory organization and conforms to minimum cover standards and related reporting requirements set by such designated self-regulatory organization in its bylaws, rules, regulations or resolutions approved by the Commission pursuant to Section 19 of the Act and these regulations.

§ 31.9 Minimum financial requirements.

(a) Each leverage transaction merchant must at all times maintain adjusted net capital equal to or in excess of \$2,500,000 plus 20 percent of the market value of the amount of physical commodities subject to leverage contracts entered into by the leverage transaction merchant which are uncovered.

(1) For purposes of determining compliance with the provisions of paragraph (a) of this section, each leverage transaction merchant must compute the market value of the physical commodities subject to leverage contracts which it has entered into by using the widely accepted and broadly disseminated commercial or retail cash price series submitted with the leverage transaction merchant's application for registration of the leverage commodity in accordance with § 31.6, and cannot include any mark-ups or discounts of the leverage transaction merchant.

(2) The requirements of paragraph (a) of this section shall not be applicable if

the applicant or registrant is a member of a designated self-regulatory organization and conforms to minimum financial standards and related reporting requirements set by such designated self-regulatory organization in its bylaws, rules, regulations or resolutions approved by the Commission pursuant to Section 19 of the Act and these regulations.

(3) No person applying for registration as a leverage transaction merchant shall be so registered unless such person affirmatively demonstrates to the satisfaction of the Commission that it complies with the financial requirements of this section. Each leverage transaction merchant must be in compliance with this section at all times and must be able to demonstrate such compliance to the satisfaction of the Commission and/or the designated self-regulatory organization.

(4) A leverage transaction merchant who is not in compliance with this section or is unable to demonstrate such compliance as required by paragraph (a)(3) of this section must immediately cease engaging in the business of offering to enter into, entering into, or confirming the execution of, any leverage contract until such time as the leverage transaction merchant is able to demonstrate such compliance. Nothing in this paragraph shall be construed as preventing the Commission from taking action against a leverage transaction merchant for non-compliance with any of the provisions of this section. Any leverage transaction merchant required immediately to cease doing business under this paragraph shall remain liable on all leverage contracts previously entered into until all rights of and obligations owing to the customers thereunder have been fulfilled.

(b) For the purposes of this section:

(1) Where the applicant or registrant has an asset or liability which is defined in Securities Exchange Act rule 15c3-1 (§ 240.15c3-1 of this title), the inclusion or exclusion of all or part of such asset or liability for the computation of adjusted net capital shall be in accordance with § 240.15c3-1 of this title, unless specifically stated otherwise in this § 31.9;

(2) The term "Proprietary account" means a commodity futures, option or leverage account carried on the books of the applicant or registrant for the applicant or registrant itself, or for general partners of the applicant or registrant;

(3) The term "Business day" means any day other than a Saturday, Sunday or legal holiday;

(4) The term "net capital" has the same meaning as in § 1.17 of this

chapter: *Provided, however*, That the term "leverage transaction merchant" shall be substituted for the term "futures commission merchant" in § 1.17 of this chapter. In determining net capital, the provisions set forth in § 1.17(c)(1) of this chapter shall apply;

(5) The term "current assets" has the same meaning as in § 1.17(c)(2) of this chapter: *Provided*, That the provisions of § 1.17(c)(2)(i) of this chapter shall apply to leverage contract accounts as well as commodity futures and option accounts;

(6) The provisions set forth in § 1.17(c)(3) of this chapter shall apply;

(7) The term "liabilities" has the same meaning as in § 1.17(c)(4) of this chapter;

(8) In computing adjusted net capital, the safety factors set forth in § 1.17(c)(5) of this chapter shall apply: *Provided, however*, That the safety factors set forth in § 1.17(c)(5)(ii) (B) and (C) of this chapter shall not apply to inventory, to the extent such inventory represents cover for leverage contracts entered into by a leverage transaction merchant; *And, provided further*, That the safety factors set forth in § 1.17(c)(5) (x) and (xii) of this chapter shall not apply to any futures contracts or commodity options traded on contract markets held in proprietary accounts which represent cover for leverage contracts entered into by a leverage transaction merchant;

(9) The safety factors set forth in § 1.17(c)(5)(viii) for undermargined commodity futures and commodity option customer accounts shall apply in a like manner to undermargined leverage customer accounts, and the term "leverage transaction merchant" shall be substituted for the terms "applicable boards of trade" or "clearing organization"; and

(10) The provisions set forth in § 1.17 (d), (e), (f), (h) and (j) of this chapter shall apply.

(c) No person shall be registered as a leverage transaction merchant unless, commencing on the date the person applies for such registration, the person prepares, and keeps current, ledgers or other similar records which show or summarize, with appropriate references to supporting documents, each transaction affecting his asset, liability, income, expense and capital accounts, and in which (except as otherwise permitted in writing by the Commission) all his asset, liability and capital accounts are classified into either the account classification subdivisions specified on Form 2-FR or categories that are in accord with generally accepted accounting principles. Each person so registered shall prepare and keep current such records.

(d) Each registered leverage transaction merchant, and each person who has applied for registration as a leverage transaction merchant, must make and keep as a record in accordance with § 31.13 formal computations of its adjusted net capital and of its minimum financial requirements pursuant to this section as of the close of business each month. Such computations must be completed and made available for inspection by any representative of the Commission, the designated self-regulatory organization, if any, or the United States Department of Justice within 30 days after the date for which the computations are made, commencing the first month-end after the date the application for registration is filed.

§ 31.10 Repurchase of leverage contracts by leverage transaction merchants.

No leverage transaction merchant shall offer to enter into or enter into a leverage contract involving a leverage commodity with any leverage customer at any time when such leverage transaction merchant is not offering to repurchase from any of its leverage customers any leverage contract involving the same leverage commodity previously entered into by the leverage transaction merchant with a leverage customer.

§ 31.11 Disclosure.

(a) Except as provided in paragraph (i) of this section, prior to the opening of a leverage customer account, a leverage transaction merchant soliciting an order for any leverage contract shall furnish to the prospective leverage customer a dated Disclosure Document and receive from such prospective leverage customer a signed and dated copy of the risk disclosure statement contained in such document which acknowledges that the customer received and understood the Disclosure Document. The Disclosure Document shall contain then current information with respect to the leverage contract being offered by the person soliciting the order therefor, and shall contain:

(1) The following bold-faced risk disclosure statement in at least ten-point type on the first page of the Disclosure Document:

BECAUSE OF THE UNPREDICTABLE NATURE OF THE PRICES OF PRECIOUS AND OTHER METALS AND FOREIGN CURRENCIES, THE PURCHASE OF LEVERAGE CONTRACTS INVOLVES A HIGH DEGREE OF RISK AND IS NOT SUITABLE FOR MANY MEMBERS OF THE PUBLIC. THE LEVERAGE CUSTOMER SHOULD BE AWARE THAT THE VALUE OF THE LEVERAGE CONTRACT MUST

EXCEED THE BREAK-EVEN PRICE BEFORE IT IS POSSIBLE TO REALIZE A PROFIT ON THE CONTRACT. AN ILLUSTRATIVE BREAK-EVEN CALCULATION IS ATTACHED TO THIS DOCUMENT. YOU ARE ENTITLED TO RECEIVE A CALCULATION OF THE BREAK-EVEN PRICE FOR YOUR PARTICULAR TRANSACTION WITH YOUR CONFIRMATION.

YOU SHOULD ALSO UNDERSTAND THAT THE CHARGES FOR SIMILAR LEVERAGE CONTRACTS MAY VARY AMONG LEVERAGE FIRMS, AND THAT SUCH FIRMS HAVE COMPLETE DISCRETION IN SETTING THEIR CHARGES AND THE PRICE OF THE LEVERAGE CONTRACTS THEY OFFER. PRIOR TO ENTERING INTO ANY LEVERAGE CONTRACT A PROSPECTIVE LEVERAGE CUSTOMER SHOULD COMPARE THE CHARGES AND PRICES OF SUCH FIRMS WITH EACH OTHER AND WITH THE COMMISSIONS FOR AND PRICES OF FUTURES CONTRACTS TRADED ON DESIGNATED EXCHANGES.

YOU SHOULD ALSO BE AWARE THAT YOU ARE SUBJECT TO MARGIN CALLS. THE LEVERAGE FIRM RESERVES THE RIGHT TO LIQUIDATE YOUR POSITION IF YOU DO NOT RESPOND TO A MARGIN CALL WITHIN THE TIME SPECIFIED IN YOUR LEVERAGE AGREEMENT. IN ANY EVENT, IF THE EQUITY IN YOUR CONTRACT AT ANY TIME FALLS BELOW 50% OF THE MINIMUM MARGIN, YOUR CONTRACT MAY BE LIQUIDATED WITHOUT PRIOR NOTICE. YOU MUST, HOWEVER, BE NOTIFIED OF LIQUIDATION WITHIN NO MORE THAN 24 HOURS THEREAFTER AND PERMITTED TO RE-ESTABLISH YOUR CONTRACT FOR A PERIOD OF 5 BUSINESS DAYS AT THE THEN PREVAILING BID PRICE WITHOUT COMMISSIONS, FEES OR OTHER MARK-UPS OR CHARGES UNDER RULES SET BY THE COMMODITY FUTURES TRADING COMMISSION, AS MORE COMPLETELY DESCRIBED IN THIS DISCLOSURE DOCUMENT. IN CASE OF LIQUIDATION, ALL OF YOUR FUNDS MAY BE USED TO SETTLE THE DEFICIT IN THE ACCOUNT, AND YOU MAY BE LIABLE FOR ADDITIONAL FUNDS TO SETTLE THE FULL LOSSES IN THE ACCOUNT.

IF YOU ARE A FIRST-TIME LEVERAGE CUSTOMER, YOU MAY RESCIND YOUR FIRST LEVERAGE CONTRACT PURCHASE SUBJECT ONLY TO ACTUAL PRICE LOSSES BUT OTHERWISE WITHOUT PENALTY FOR THREE BUSINESS DAYS FOLLOWING AND INCLUDING THE DAY OF RECEIPT OF THE CONFIRMATION.

YOU SHOULD BE AWARE THAT IN ORDER TO REALIZE ANY VALUE FROM THE CONTRACT, THE LEVERAGE TRANSACTION MERCHANT WHICH SOLD YOU THE LEVERAGE CONTRACT MUST REPURCHASE IT, OR YOU MUST PAY THE LEVERAGE TRANSACTION MERCHANT THE FULL PURCHASE PRICE FOR THE LEVERAGE CONTRACT, TAKE DELIVERY OF THE LEVERAGE COMMODITY, AND THEN RESELL THE LEVERAGE COMMODITY, POSSIBLY AT A LOWER PRICE THAN THE PRICE PAID TO

PURCHASE THE LEVERAGE COMMODITY FROM THE LEVERAGE TRANSACTION MERCHANT. THERE IS NO MARKET FOR THE LEVERAGE CONTRACT ITSELF OTHER THAN TO RESELL IT TO THE LEVERAGE TRANSACTION MERCHANT FROM WHICH IT WAS PURCHASED. A LEVERAGE TRANSACTION MERCHANT IS UNDER NO OBLIGATION TO OFFER TO REPURCHASE A LEVERAGE CONTRACT AT ALL TIMES. ALTHOUGH THE LEVERAGE TRANSACTION MERCHANT MUST OFFER TO REPURCHASE ANY PREVIOUSLY-SOLD LEVERAGE CONTRACT AT ANY TIME DURING WHICH IT IS OFFERING TO SELL ANY LEVERAGE CONTRACTS ON THE SAME LEVERAGE COMMODITY. AS NOTED ABOVE, HOWEVER, A LEVERAGE TRANSACTION MERCHANT HAS COMPLETE DISCRETION IN SETTING THE PRICE AND ANY CHARGES RELATED THERETO.

THE COMMODITY FUTURES TRADING COMMISSION HAS NOT PASSED UPON THE MERIT OF THESE LEVERAGE CONTRACTS AS AN INVESTMENT VEHICLE NOR UPON THE ACCURACY OR ADEQUACY OF THIS DISCLOSURE DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A VIOLATION OF THE COMMODITY EXCHANGE ACT AND THE REGULATIONS THEREUNDER.

(2) Immediately following the statement required by paragraph (a)(1) of this section, a section, captioned "Provisions of Leverage Contract" in at least ten point type, containing the terms and conditions of the leverage contract being offered. This information must be provided in the order specified in paragraphs (a)(2)(i) through (xi) of this section, with a clear demarcation or separation between each item according to the paragraph of the section to which it corresponds, and include:

- (i) The duration or expiration date of the leverage contract;
- (ii) The distinguishing characteristics of the contract and of the leverage commodity, including in particular, those characteristics of the leverage commodity enumerated in § 31.4(g)(1)(i)-(iii), (2) and (3)(i) and (ii);
- (iii) A description of the following charges for each leverage contract:
 - (A) Initial charges;
 - (B) Carrying charges;
 - (C) Termination charges;
- (iv) A description of the bid and ask prices of each leverage contract;
- (v) An explanation of the margins applicable to each leverage contract, including, as required, initial leverage margins, minimum leverage margins and maintenance margins;
- (vi) A description of the leverage customer's responsibilities with respect to margin calls, including the timing of such calls and, if applicable, the circumstances under which, time after which, and the order in which the

leverage transaction merchant may, consistent with § 31.18 of this part liquidate a customer's position in the leverage contract;

(vii) A description of the manner in which a leverage customer may seek to have a leverage contract repurchased by the leverage transaction merchant, including an explanation of the procedure to be followed by the leverage transaction merchant to effect such repurchase and the manner in which the repurchase price is determined;

(viii) A statement to the effect that other persons may be unwilling to buy the leverage commodity that is deliverable on the leverage contract or, in the case of metal or coins, may be unwilling to buy such metal or coins without first requiring an inspection or assay, at the expense of the leverage customer;

(ix) A clear explanation of any *force majeure* clauses pertaining to each leverage contract;

(x) A description of any material risks not included in the statements required by paragraph (a)(1) of this section; and

(xi) An identification of the commercial or retail cash price series filed in accordance with § 31.6, along with clearly specified premiums and discounts, if applicable, which the leverage customer can use to evaluate an offered or purchased leverage contract and a widely available source from which such price quotes may be obtained on a timely basis.

(3) An illustrative example of a leverage transaction which includes a calculation of the break-even price in the format specified by the Commission.

(4)(i) The name, address of the main business office, main business telephone number and form of organization of the leverage transaction merchant. If the address of the main business office is a post office box number, the leverage transaction merchant must state where its books and records will be kept;

(ii) The name of each principal of the leverage transaction merchant;

(iii) The business background, for the five years preceding the date of the statement, of:

(A) The leverage transaction merchant; and

(B) Each principal of the leverage transaction merchant.

The leverage transaction merchant must include in the description of the business background of each such person the name and main business of that person's employers, business associations or business ventures and the nature of the person's duties performed for the employers or in

connection with the associations or ventures.

(5)(i) A Statement whether any principal of the leverage transaction merchant has purchased or intends to purchase leverage contracts for his own account and if so, whether leverage customers will be permitted to inspect the records of that person's trades; and

(ii) If principals of the leverage transaction merchant will not purchase or do not intend to purchase leverage contracts for their own account, the leverage transaction merchant must so state with respect to each principal.

(6)(i) Any material administrative or civil action involving any activity or conduct, or related to any statute, set forth in Sections 8a(2) or 8a(3) of the Act, or any material criminal action brought within the five years preceding the date of the document against the leverage transaction merchant or any principal of the leverage transaction merchant; and

(ii) If there has been no such action against any of the foregoing persons, the leverage transaction merchant must make a statement to that effect with respect to each such person.

(b)(1) If the leverage transaction merchant knows or should know that the Disclosure Document is materially inaccurate or incomplete in any respect, it must correct that defect and must distribute the correction to:

(i) All existing leverage customers within 30 calendar days after the date upon which the leverage transaction merchant first knows or has reason to know of the defect; and

(ii) Each prospective leverage customer prior to opening an account for such person.

The leverage transaction merchant may furnish the correction by means of an amended document, a sticker on the document, a notice in a monthly statement or by other similar means.

(2) The leverage transaction merchant may not use the document until such correction is made.

(c) The leverage transaction merchant must date each document and amendment thereto as of the date it is first used.

(d) Subject to the provisions of paragraph (b) of this section, all information contained in the document must be current as of the date of the document.

(e)(1) Subject to § 31.6(c), the leverage transaction merchant must file with the Commission three copies of the document for each leverage contract that it offers or that it intends to offer not less than 21 calendar days prior to the date the leverage transaction merchant first intends to furnish the

document to a prospective leverage customer. The leverage transaction merchant must specify with the filing the date it first intends to deliver the document to a prospective leverage customer;

(2) Subject to § 31.6(c) and paragraph (h) of this section, the leverage transaction merchant must file with the Commission three copies of all subsequent amendments to the documents for each leverage contract that it offers or that it intends to offer within 30 calendar days after the date upon which the leverage transaction merchant first knows or has reason to know of the defect requiring the amendment.

(f) This section does not relieve a leverage transaction merchant from any obligation under the Act or the regulations thereunder, including the obligation to disclose all material information to existing or prospective leverage customers even if the information is not specifically required by this section.

(g) If any contract term set forth in accordance with paragraph (a)(2) of this section provides that such term is subject to change, the leverage transaction merchant must ensure that this fact, the conditions under which the change may take place, and the foreseeable consequences of the change are clearly stated in the Disclosure Document, in describing that contract term.

(h) A leverage transaction merchant must transmit a notification to each leverage customer within 24 hours of making any change not otherwise permitted under the contract terms set forth in accordance with paragraph (a)(2) of this section: *Provided, however,* that notification of any change in the interest rates charged by the leverage transaction merchant must also be transmitted to each leverage customer within twenty-four hours of each change. Such notification must be transmitted by first class mail or other, at least equivalent, means of communication.

(i) A person soliciting or accepting an order for a leverage contract is not required to deliver a Disclosure Document leverage to a leverage customer, as required by paragraph (a) of this section, if a disclosure document meeting all of the requirements of this section previously has been delivered by the person to the leverage customer: *Provided, however,* That such a Disclosure Document must be delivered:

(1) Upon the request of a leverage customer, or

(2) If the previously delivered Disclosure Document has become

outdated or has become inaccurate in any material respect.

(j) Prior to the entry into a leverage contract, the person soliciting the order therefor shall inform the leverage customer or the prospective leverage customer, to the extent these amounts are known or can reasonably be approximated, of all charges for the initiation, carrying and termination of a leverage contract and the leverage transaction merchant's bid-ask spread on the leverage contract as set forth in paragraph (a)(2)(iii) and (a)(2)(iv), respectively, of this section and the margins applicable to such contracts as set forth in paragraph (a)(2)(v) and (a)(2)(vi) of this section.

(k)(1) Within 24 hours after the entry into a leverage contract, each leverage transaction merchant shall furnish to each first-time leverage customer, by first-class mail or other, at least equivalent, means of communication, a written confirmation statement in a format specified by the Commission containing: (1) The following bold-faced statement in at least ten point type:

IF YOU ARE A FIRST-TIME LEVERAGE CUSTOMER, YOU MAY RESCIND YOUR FIRST LEVERAGE CONTRACT PURCHASE, SUBJECT ONLY TO ACTUAL PRICE LOSSES BUT OTHERWISE WITHOUT PENALTY FOR THREE BUSINESS DAYS FOLLOWING AND INCLUDING RECEIPT OF THIS CONFIRMATION. ACTUAL LOSSES ARE CALCULATED BY SUBTRACTING THE ASK PRICE OF THE LEVERAGE CONTRACT AT THE TIME OF THE CUSTOMER'S RESCISSION FROM THE ASK PRICE AT WHICH THE LEVERAGE CONTRACT WAS PURCHASED AND WHICH APPEARS ON THIS CONFIRMATION. TO RESCIND THIS CONTRACT SEND A TELEGRAM TO (NAME AND ADDRESS OF LTM) OR YOU MAY TELEPHONE (NAME OF LTM) AT (TELEPHONE NUMBER). IF YOU RESCIND BY TELEPHONE, YOU MUST ALSO SEND IMMEDIATE WRITTEN AFFIRMATION BY TELEGRAM, CERTIFIED LETTER OR BY AT LEAST EQUIVALENT MEANS TO THE ADDRESS PROVIDED ABOVE.

(2) The following information:

(i) The date the leverage contract was entered into;

(ii) The transaction identification number;

(iii) The name of the leverage commodity;

(iv) The expiration date of the leverage contract;

(v) The price at which the leverage commodity was purchased;

(vi) The number of contracts covered by the confirmation statement;

(vii) The total cost of the leverage contracts covered in the confirmation statement, which equals the leverage

transaction merchant's ask price in dollars per contract multiplied by the number of contracts;

(viii) The initial charges, in dollars per contract, incurred by the leverage customer at the time the contract is entered into;

(ix) The carrying charges, in dollars per contract, cumulated for one year, based on the charges prevailing at the time the contract is entered into;

(x) The termination charges, in dollars per contract, incurred if the leverage contract is repurchased or liquidated by the leverage transaction merchant or settled by delivery, based on the charges prevailing at the time the contract is entered into;

(xi) The bid-ask spread prevailing at the close of business on the day the contract is entered into;

(xii) Based upon all of the foregoing, a calculation of the break-even price of the leverage contract and percentage price change to break even.

(xiii) The initial leverage margin, in dollars per contract, based on the rates or levels prevailing at the time the contract is entered into;

(xiv) The minimum leverage margin, in dollars per contract, based on the rates or levels prevailing at the time the contract is entered into;

(xv) The maintenance leverage margin, in dollars per contract, based on the rates or levels prevailing at the time the contract is entered into;

(xvi) The commercial or retail cash price series filed in accordance with § 31.6 available to the leverage customer to evaluate the leverage contract (including any applicable premiums or discounts), and where quotes of this series can be obtained on a timely basis, and

(1) Each leverage transaction merchant shall furnish, upon request, by first-class mail or other generally accepted means of communication, to all leverage customers with open leverage contracts and to prospective leverage customers who are being solicited to enter leverage contracts with it, a true copy of portions of the quarterly unaudited or annual audited financial statement most recently filed with the Commission pursuant to § 31.13, except that the portions of those statements which will generally be accorded non-public treatment by the Commission need not be so furnished.

§ 31.12 Segregation.

(a) Any person that accepts leverage customer funds from a leverage customer to enter into or maintain a leverage contract shall treat and deal with such leverage customer funds as belonging to that leverage customer.

Such leverage customer funds: (1) Shall be separately accounted for and segregated as belonging to the leverage customer, (2) shall be kept in the United States, (3) shall not be commingled with the funds of any other person, and (4) shall not be used to secure or extend the credit of any leverage customer or person other than the one for whom the leverage customer funds are held:

Provided, however, That the leverage customer funds treated as belonging to a leverage customer may for convenience be commingled with other leverage customer funds and deposited in the same account or accounts with a futures commission merchant or with a bank or trust company located in the United States under conditions set forth in paragraph (b) of this section. Any leverage customer funds when so deposited with a futures commission merchant, bank or trust company, shall be deposited under an account name which clearly indicates that the account contains leverage customer funds that are segregated as required by this section. Each person so depositing any leverage customer funds shall obtain and retain in its files for the period provided in § 1.31 of this chapter an acknowledgment from the futures commission merchant, bank or trust company wherein the leverage customer funds have been deposited that the futures commission merchant, bank or trust company has been informed that the leverage customer funds deposited with it are being treated by the depositing person as belonging to leverage customers and are being held in accordance with the provisions of this section. The futures commission merchant, bank or trust company shall allow inspection of such segregated accounts, including all documents pertaining thereto, at any reasonable time by any representative of the Commission or designated self-regulatory organization, if any. Notwithstanding the foregoing, a leverage transaction merchant may exclude from its segregation requirements commissions and other charges lawfully accruing in connection with leverage contracts provided such charges have actually been made to leverage customers' accounts and are shown on the customers' statements.

(b) No leverage customer funds deposited in accordance with paragraph (a) of this section shall be held, disposed of, used or treated as belonging to the depositing person or any person other than the leverage customers from whom the leverage customer funds were received: *Provided, however,* That leverage customer funds may be used to purchase obligations of the United

States, general obligations of any state or of any political subdivision thereof, obligations fully guaranteed as to principal and interest by the United States, or unencumbered warehouse receipts for inventory held in approved contract market depositories or in commercial banks located in the United States which represent cover for leverage contracts purchased by such leverage customers, or may be deposited in a commodity account with a futures commission merchant to margin futures contracts or to purchase commodity options traded on or subject to the rules of a contract market which are permissible cover as described in § 31.8(a)(2) for leverage contracts purchased by such leverage customers. Any use of leverage customer funds as described in this paragraph (b) shall be made through an account or accounts used for the deposit of leverage customer funds, and proceeds from any sale, liquidation or other disposition of obligations or warehouse receipts obtained by such use shall be redeposited in these accounts. Each person that uses leverage customer funds to purchase obligations or warehouse receipts of the type described in this paragraph (b) shall separately account for and segregate the obligations or warehouse receipts as belonging to leverage customers. The obligations or warehouse receipts shall be deposited with a futures commission merchant, bank or trust company in the United States and shall be deposited under an account name which clearly indicates that it contains obligations or warehouse receipts treated as belonging to leverage customers, segregated as required by this section. Each person so depositing any obligations or warehouse receipts shall obtain and retain in its files for the period provided in § 1.31 of this chapter an acknowledgment from the futures commission merchant, bank or trust company wherein the obligations or warehouse receipts have been deposited that the futures commission merchant, bank or trust company has been informed that the obligations or warehouse receipts are being treated by the depositing person as belonging to leverage customers and are being held in accordance with the provisions of this section. The futures commission merchant, bank or trust company shall allow inspection of such obligations or warehouse receipts at any reasonable time by any representative of the Commission or designated self-regulatory organization, if any. Each person that uses leverage customer funds to margin futures contracts or to purchase commodity options traded on

or subject to the rules of a contract market which represent permissible cover for leverage contracts purchased by such leverage customers shall use a commodity account separate from any other commodity account containing futures contracts which do not represent cover. The leverage customer funds deposited in a commodity account with a futures commission merchant to margin futures contracts or to purchase commodity options traded on or subject to the rules of a contract market which represent permissible cover for leverage contracts purchased by such leverage customers shall be deposited under an account name which clearly indicates that it contains obligations treated as belonging to leverage customers, segregated as required by this section. Each person so depositing any leverage customer funds shall obtain and retain in its files for the period provided in § 1.31 of this chapter an acknowledgment from the futures commission merchant wherein the leverage customer funds have been deposited that: (1) The futures commission merchant has been informed that the commodity account is being treated by the depositing person as belonging to the leverage customers and is being held in accordance with the provisions of this section, (2) the customers on whose behalf the account is maintained by the leverage transaction merchant shall not be liable for any margin calls or other required deposits related to such account, and (3) upon liquidation of the open contracts in the account the futures commission merchant's claim in the account balance will be subordinate to that of leverage customers.

(c) Each person that uses leverage customer funds to purchase obligations or unencumbered warehouse receipts as permitted by paragraph (b) of this section shall keep a written record which includes the following:

- (1) The date on which the purchase was made;
- (2) The name of the person through which the purchase was made;
- (3) The amount of funds so used;
- (4) A description of such obligations or warehouse receipts, including the receipt number and the issuer's name;
- (5) The identity of the futures commission merchant, bank or trust company wherein the obligations or warehouse receipts are segregated;
- (6) The date on which the obligation, warehouse receipt, or portion thereof, is liquidated or otherwise disposed of;
- (7) The amount of money, if any, received upon such liquidation or disposition; and

(8) The name of the person to or through which the obligation or warehouse receipt was disposed.

(d) Persons that use leverage customer funds to purchase obligations or unencumbered warehouse receipts described in paragraph (b) of this section shall include such obligations or unencumbered warehouse receipts in segregated accounts at values which do not exceed the lesser of current market value or a value calculated on the basis of a commercial or retail cash price series used to compute the market value of the physical commodities subject to leverage contracts in accordance with § 31.9(a)(1).

(e) The provisions of paragraphs (a) and (b) of this section shall not operate to prevent any person that uses leverage customer funds to purchase government obligations as described therein from receiving and retaining as its own any increment or interest resulting from such government obligations.

(f) The amount of leverage customer funds which are and which must be in a segregated account in order to comply with the requirements of this section shall be computed as of the close of each business day by each person required to segregate such leverage customer funds. A written record of this computation shall be made and kept, together with all supporting data, in accordance with the provisions of § 1.31 of this chapter. This daily computation shall be made by noon on the next business day and shall be identical in format to the Schedule of Segregation Requirements and Funds in Segregation contained in Form 2-FR.

(g) Each leverage transaction merchant shall maintain, as provided in § 1.31, a record of all securities and property received from leverage customers in lieu of money to purchase, guarantee or secure the entry into a leverage contract. Such record shall show separately for each leverage customer a description of the securities or property received; the name and address of such leverage customer; the dates when the securities or property were received; the identity of the depositories or other places where such securities or property are segregated; the dates of deposits and withdrawals from such depositories; and the date of return of such securities or property to such leverage customer, or other disposition thereof, together with the facts and circumstances of such other disposition.

§ 31.13 Financial reports of leverage transaction merchants.

(a) Each leverage transaction merchant who files an application for registration with the Commission under

§ 3.17 of this chapter shall submit concurrently with the filing of such application either:

(1) A Form 2-FR certified by an independent public accountant as of a date not more than 45 days prior to the date on which such report is filed; or

(2) A Form 2-FR as of a date not more than 45 days prior to the date on which such report is filed and an Form 2-FR certified by an independent public accountant as of a date not more than 1 year prior to the date on which such report is filed. Each such person must include with such financial report a statement describing the source of his current assets and representing that his capital has been contributed for the purpose of operating his business and will continue to be used for such purpose.

(b)(1) Each leverage transaction merchant must file, in accordance with the requirements of paragraph (e) of this section, a Form 2-FR for each fiscal quarter of each fiscal year. The Form 2-FR filed as of the close of the leverage transaction merchant's fiscal year must be certified by an independent public accountant. Each Form 2-FR must be filed no later than 45 days after the date for which the report is made: *Provided, however,* That any Form 2-FR which must be certified by an independent public accountant must be filed no later than 90 days after the close of the leverage transaction merchant's fiscal year.

(2) The provisions of paragraph (b)(1) of this section may be met by any person registered as a leverage transaction merchant who is a member of a designated self-regulatory organization and conforms to minimum financial standards and related reporting requirements set by such designated self-regulatory organization in its bylaws, rules, regulations, or resolutions and approved after the effective date of these regulations by the Commission pursuant to Section 19 of the Act and these regulations; *Provided, however,* That each such registrant shall promptly file with the Commission a true and exact copy of each financial report which it files with such designated self-regulatory organization.

(c) Each Form 2-FR which must be certified by an independent public accountant in accordance with the provisions of paragraphs (a)(1), (a)(2) and (b)(1) of this section, must be certified in accordance with § 1.16 of this chapter, and must be accompanied by the accountant's report on material inadequacies in accordance with the provisions of § 1.16(c)(5) of this chapter. In all other respects, the independent

public accountant shall act in accordance with the provisions of § 1.16 (except paragraph (f)): *Provided, however, That the term "Form 2-FR" shall be substituted for "Form 1-FR" in § 1.16(c)(5), the term "31.9" shall be substituted for the term "§ 1.17," the term "leverage transaction merchant" shall be substituted for the term "futures commission merchant," and "the segregation requirements of § 31.12" shall be substituted for the "segregation requirements of Section 4d(2) of the Act and these regulations."*

(d) Upon receiving written notice from any representative of the Commission or any self-regulatory organization of which it is a member, a leverage transaction merchant shall, on a monthly basis or at such other times as specified, furnish the Commission and the self-regulatory organization, if any, with a Form 2-FR or such other financial information as requested by the representative of the Commission or the self-regulatory organization. Each such Form 2-FR or such other information must be furnished within the time specified in the written notice.

(e) The reports provided for in this section will be considered filed when received by the regional office of the Commission with jurisdiction over the state wherein the principal place of business of the leverage transaction merchant is located, in accordance with § 140.2 of this chapter, and by the designated self-regulatory organization, if any: *Provided, however, That firms under the jurisdiction of the Commission's Western Regional Office shall file their reports with the Southwestern Regional Office.*

(f) Each Form 2-FR filed pursuant to this section which is not required to be certified by an independent public accountant must be completed in accordance with the instructions to the form and contain:

(1) A statement of financial condition as of the date for which the report is made;

(2) A statement of changes in ownership equity for the period between the date of the most recent statement of financial condition filed with the Commission and the date for which the report is made;

(3) A statement of the computation of the minimum capital requirements pursuant to § 31.9, a schedule of coverage requirements and coverage provided, and a schedule of segregation requirements and funds on deposit in segregation, as of the date for which the report is made; and

(4) In addition to the information expressly required, such further information as may be necessary to

make the required statements and schedules not misleading.

(g) Each Form 2-FR filed pursuant to this § 31.13 which is required to be certified by an independent public accountant must be completed in accordance with the instructions to the form and contain:

(1) A statement of financial condition as of the date for which the report is made;

(2) Statements of: income (loss); changes in financial position; changes in ownership equity; and changes in liabilities subordinated to claims of general creditors, for the period between the date of the most recent statement of financial condition filed with the Commission and the date for which the report is made: *Provided, however, That for an applicant filing pursuant to paragraph (a) of this section, the period must be the year ending as of the date of the statement of financial condition;*

(3) A statement of the computation of the minimum capital requirements pursuant to § 31.9, a schedule of coverage requirements and coverage provided, and a schedule of segregation requirements and funds on deposit in segregation, as of the date for which the report is made;

(4) Appropriate footnote disclosures; and

(5) In addition to the information expressly required, such further information as may be necessary to make the required statements and schedules not misleading.

(h) The statements required by paragraphs (g) (1) and (2) of this section may be presented in accordance with generally accepted accounting principles in the certified reports filed as of the close of the registrant's fiscal year pursuant to paragraph (b) of this section, or accompanying the application for registration pursuant to paragraph (a) of this section, rather than in the format specifically prescribed by these regulations: *Provided, however, That the statement of financial condition is presented in a format as consistent as possible with the Form 2-FR and a reconciliation is provided reconciling such statement of financial condition to the statement of the computation of the minimum capital requirements pursuant to § 31.9. Such reconciliation must be certified by an independent public accountant in accordance with § 1.16 of this chapter.*

(i) Attached to each Form 2-FR filed pursuant to this section must be an oath or affirmation that to the best knowledge and belief of the individual making such oath or affirmation the information contained in the Form 2-FR is true and correct. If the leverage

transaction merchant is a sole proprietorship, then the oath or affirmation must be made by the proprietor; if a partnership, by a general partner; or, if a corporation, by the chief executive officer or chief financial officer.

(j) Any leverage transaction merchant wishing to establish a fiscal year other than the calendar year may do so by notifying the Commission of its election of such fiscal year in writing, concurrently with the filing of Form 2-FR pursuant to paragraph (a) of this section or within 90 days of the effective date of this section, but in no event may such fiscal year end more than one year from the date of the Form 2-FR filed pursuant to paragraph (a) of this section or more than one year from the effective date of this regulation. A leverage transaction merchant which does not so notify the Commission will be deemed to have elected the calendar year as its fiscal year. A leverage transaction merchant must continue to use its elected fiscal year, calendar or otherwise, unless a change in such fiscal year is approved upon written application to the principal office of the Commission in Washington, D.C.

(k) In the event any leverage transaction merchant finds that it cannot file its report for any period within the time specified in paragraphs (b) or (d) of this section without substantial undue hardship, it may file with the principal office of the Commission in Washington, D.C., to the attention of the Chief Accountant, Division of Trading and Markets, an application for an extension of time to a specified date which may not be more than 90 days after the date as of which the financial report was to have been filed. The application must state the reasons for the requested extension and must contain an agreement to file the report on or before the specified date. The application must be received by the Commission before the time specified in paragraphs (b) or (d) of this section for filing the report. Within 10 calendar days after receipt of the application for an extension of time, the Commission shall: (1) Notify the leverage transaction merchant of the grant or denial of the requested extension; or (2) indicate that additional time is required to analyze the request, in which case the amount of time needed will be specified.

(l)(1) In the event a leverage transaction merchant finds that it cannot file its certified financial report and schedules for any year within the time specified in paragraph (b) of this section without substantial undue hardship, it may file with the principal

office of the Commission in Washington, D.C., to the attention of the Chief Accountant, Division of Trading and Markets, an application for an extension of time to a specified date not more than 90 days after the dates as of which the certified financial report and schedules were to have been filed. The application must be submitted by the leverage transaction merchant and must: (i) State the reasons for the requested extension; (ii) indicate that the inability to make a timely filing is due to circumstances beyond the control of the leverage transaction merchant, if such is the case, and describe briefly the nature of such circumstances; (iii) be accompanied by the latest available formal computation of its adjusted net capital and minimum financial requirements computed in accordance with § 31.9; (iv) be accompanied by the latest available computation of required segregation and by a computation of the amount of leverage customer funds segregated pursuant to § 31.12 as of the date of the latest available computation; (v) be accompanied by the latest available computation of required cover and by a computation of cover provided pursuant to § 31.8 as of the date of the latest available computation; (vi) contain an agreement to file the report on or before the date specified by the leverage transaction merchant in the application; (vii) be received by the principal office of the Commission in Washington, D.C., prior to the date on which the report is due; and (viii) be accompanied by a letter from the independent public accountant answering the following questions:

(A) What specifically are the reasons for the extension request?

(B) On the basis of that part of your audit to date, do you have any indication that may cause you to consider commenting on any material inadequacies in the accounting system, internal accounting controls or procedures for safeguarding customer or firm assets?

(C) Do you have any indication from the part of your audit completed to date that would lead you to believe that the firm was or is not meeting the minimum capital requirements specified in § 31.9 or the cover or segregation requirements of these regulations, or has any significant financial or recordkeeping problems?

(2) Within 10 calendar days after receipt of an application for extension of time, the Commission shall: (i) Notify the leverage transaction merchant of the grant or denial of the requested extension; or (ii) indicate that additional time is required to analyze the request,

in which case the amount of time needed will be specified.

(3) On the written request of a leverage transaction merchant, or on its own motion, the Commission may grant an extension of time or an exemption from any of the certified financial reporting requirements of this section either unconditionally or on specified terms and conditions.

(m) All of the Forms 2-FR filed pursuant to this section will be public: *Provided, however,* That if the statement of financial condition, the computation of the minimum capital requirements pursuant to § 31.9, the schedule of coverage requirements and cover provided, and the schedule of segregation requirements and funds on deposit in segregation are bound separately from the other financial statements (including the statement of income (loss)), footnote disclosures and schedules of Form 2-FR, trade secrets and certain other commercial or financial information on such other statements and schedules will be treated as nonpublic for purposes of the Freedom of Information Act and the Government in the Sunshine Act and Parts 145 and 147 of this chapter. All information on such other statements, footnote disclosures and schedules will, however, be available for official use by any official or employee of the United States or any State, and by any other person to whom the Commission believes disclosure of such information is in the public interest. The independent public accountant's opinion filed pursuant to this section will be deemed to be public information.

(n)(1) Until such time as the Commission orders, otherwise, the Commission hereby delegates to the Director of the Division of Trading and Markets or his designee the authority to perform all functions reserved to the Commission in this section.

The Director of the Division of Trading and Markets may submit to the Commission for its consideration any matter which has been delegated to him pursuant to paragraph (n)(1) of this section.

§ 31.14 Recordkeeping.

(a) All books, records and other documents required to be kept by this part shall be kept in accordance with the provisions of § 1.31 of this chapter. In addition, information concerning leverage transactions shall be made available upon request of the Executive Director, the Director of the Division of Trading and Markets, the Director of the Division of Economics and Education or the Director of the Division of

Enforcement, or other designees, at a time and place and in such form and manner as may be specified in the call.

(b) Each leverage transaction merchant shall:

(1) Keep full, complete, and systematic records, together with all pertinent data and memoranda, of all transactions relating to leverage contracts, commodity futures, commodity options and cash commodities and furnish true and correct information and reports as to the contents or the meaning thereof when and as requested by any authorized representative of the Commission, designated self-regulatory organization, if any, or the United States Department of Justice. Included among such records shall be: all leverage contract orders; signature cards; journals; ledgers; canceled checks; bank statements; loan agreements; invoices; copies of confirmations; copies of statements of purchase, repurchase, liquidation and delivery; copies of month-end statements; monthly trial balances, and a monthly listing as described in paragraph (d) of this section; reports, letters and copies of disclosure statements signed by leverage customers as described in § 31.11; promotional material, circulars, memoranda, publications, writings, and all other literature or written advice distributed to leverage customers or prospective leverage customers; and all other records, data and memoranda which have been prepared in the course of the business of the leverage transaction merchant concerning leverage contracts, commodity futures, commodity options, and cash commodities;

(2) Keep a record in permanent form which shall show for each leverage customer's account carried by such leverage transaction merchant: (i) The true name and address of the person for whom such account is carried; (ii) the principal occupation and/or type of business of the person for whom such account is carried; (iii) the name and address of any other person who assumes or purports to assume any financial responsibility for or operational control of such account; and (iv) the names of the persons who have solicited and are responsible for each leverage customer's account.

(c) Each leverage transaction merchant shall, as a minimum requirement, prepare regularly and promptly, and keep systematically and in permanent form, the following:

(1) A financial ledger which will show separately for each leverage customer's account all charges against and credits to such leverage customer's account,

including but not limited to all charges and credits for purchases and sales of leverage contracts (including the corresponding transaction identification numbers) and all funds transferred, deposited into, or withdrawn from the leverage customer's account.

(2) A record of transactions which will show separately for each leverage customer's account in chronological sequence all leverage contracts entered into with such customer. This record will show for each transaction: the date of the transaction; the commodity involved; a transaction identification number; the maturity date; the number of contracts; whether the transaction represents an initial purchase, a closing transaction, or a delivery; and, if a closing transaction, the total amount realized.

(3) A daily record or journal which will show separately by leverage commodity complete details of all leverage transactions executed on that day, including the person for whom such transaction was made, the leverage commodity and contract involved, the number of leverage contracts, the transaction identification number for each leverage contract, whether the transaction was an initial purchase, repurchase, liquidating transaction or delivery, the total value of the initial purchase or liquidating transaction.

(4) The acknowledgment specified in § 31.11(a).

(5) A record of all notification under § 31.11(h).

(6) Where reproductions on microfilm of the records required by this paragraph (c) are substituted for hard copy in accordance with the provisions of paragraph (a) of this section, the requirement of paragraphs (c)(1) and (c)(2) of this section will be considered met if the person required to keep such records is ready at all times to provide, and immediately provides at such time and place as required by the Commission and at the expense of such person, reproduced copies which show the records as specified in paragraphs (c)(1) and (c)(2) of this section, on request by any representative of the Commission, designated self-regulatory organization or the United States Department of Justice.

(d) Each leverage transaction merchant shall prepare, as of the close of the last business day of each calendar month, a listing of all open leverage contracts carried for leverage customers. Such listing shall be by leverage commodity and contract and shall include the following details with respect to each leverage contract:

(1) The customer account identification number;

(2) The name of the leverage commodity and contract;

(3) The date of execution and the maturity date;

(4) The transaction identification number;

(5) The value of the leverage contract when initiated; and

(6) The unrealized profit or loss on each open leverage contract marked to the market on the basis of the leverage transaction merchant's bid price.

§ 31.15 Reporting to leverage customers.

Each leverage transaction merchant shall furnish in writing directly to each leverage customer:

(a) Promptly upon the repurchase, liquidation or delivery of a leverage contract, a statement showing the financial result of the transactions involved, including the gain or loss on the leverage contract as well as the commission and other charges;

(b) As of the close of the last business day of each calendar month or as of any regular monthly date selected a statement which clearly shows:

(1) All leverage contracts which were terminated for or by the leverage customer during the monthly reporting period by leverage commodity and contract, the number of contracts involved, the transaction identification number for each leverage contract, whether the terminating transaction involved repurchase, liquidation, or delivery, the date the contract was initially entered into, the value of the contract when initiated, the date the contract was terminated, the value of the contract when terminated, and the realized profit or loss on the contract;

(2) The open leverage contract positions carried for the leverage customer by leverage commodity and contract, the dates on which such contracts were executed and their maturity dates, the number of contracts, the total value of the contracts when initiated, and the unrealized profit or loss on each such contract marked to the market on the basis of the leverage transaction merchant's bid price;

(3) The net ledger balance carried in the leverage customer's account as of the monthly closing date and a complete accounting of any leverage customer funds held for the leverage customer;

(4) A detailed accounting of all financial charges and credits to the previous ledger balance during the monthly reporting period, including all leverage customer funds received from or disbursed to the leverage customer, and all commissions and fees incidental to the contract which have been charged and received, as well as all realized profits and losses; and

(5) Any securities or other property which the leverage customer has deposited with the leverage transaction merchant that represent leverage customer funds.

The monthly statement must also contain the following bold-faced legend in at least ten-point type: IF YOU BELIEVE YOUR MONTHLY STATEMENT IS INACCURATE YOU SHOULD PROMPTLY CONTACT (name of LTM) AT (telephone number).

(c) With respect to any leverage account controlled by any person other than the leverage customer for whom the account is carried, except such leverage customer's spouse, parent or child, a copy of the statements required by paragraphs (a) and (b) of this section shall be sent to the controller of the account as well as to the leverage customer for whom such account is carried.

§ 31.16 Monthly reporting requirements.

Each leverage transaction merchant shall file written monthly reports with the Commission's headquarters office in Washington, D.C., by the tenth business day of the month following the month covered by the reports. Reports shall be prepared on CFTC Forms 188 and 189 and shall show the following information separately for each leverage commodity and contract:

(a) The total number of leverage contracts that are open as of the close of business on the last business day of the month for:

(1) All customer accounts, and
(2) Separately for commercial leverage accounts.

(b) The total number of leverage contracts purchased by leverage customers during the month for:

(1) All customers, and
(2) Separately for commercial leverage accounts.

(c) The total number of leverage contracts which were repurchased by the leverage transaction merchant during the month.

(d) The total number of leverage contracts which were liquidated by the leverage transaction merchant during the month (i.e., as a result of overdue or unanswered margin calls).

(e) The total number of leverage contracts on which deliveries were taken during the month.

(f) The total number of leverage contracts which were rescinded during the month.

(g) The leverage transaction merchant's last bid price offered and last ask price offered as of the close of business on each business day.

§ 31.17 Records of leverage transactions.

(a) Each leverage transaction merchant receiving a leverage customer's order shall immediately upon receipt thereof prepare a written record of such order, including the account identification and order number, and shall record thereon, by time-stamp or other timing device, the date and time, to the nearest minute, such order is received.

(b) Each leverage transaction merchant executing the order of a leverage customer shall record on a written record of such order, including the account identification and order number, by time-stamp or other timing device, the date and time, to the nearest minute, such order is executed.

(c) For the purposes of this section, the term "order" shall include, but not be limited to, any order for the purchase, repurchase, rescission, settlement by delivery, or liquidation of a leverage contract.

(d) Each leverage transaction merchant shall establish and maintain a record of the bid and ask prices of each leverage contract on each leverage commodity that the leverage transaction merchant offers to sell or sells. The record shall include the times these prices were in effect to the nearest ten seconds.

§ 31.18 Margin calls.

(a) No leverage transaction merchant shall liquidate a leverage contract because of a margin deficiency without effecting personal contact with the leverage customer. If a leverage transaction merchant is unable to effect personal contact with a leverage customer, a telegram sent to the leverage customer at the address furnished by the customer to the leverage transaction merchant shall be sufficient contact.

(b) A leverage transaction merchant shall allow a leverage customer a reasonable time after contact is effected in which to respond to a margin call. Twenty-four hours, excluding Saturdays, Sundays, and holidays, will be a reasonable time: *Provided, however,* That in the event the leverage customer's leverage account equity falls below 50% of aggregate minimum margin with respect to the leverage contracts therein, the leverage transaction merchant may liquidate sufficient contracts to restore minimum margin without prior notice: *Provided, further,* That the leverage customer must be notified of such liquidation within no more than 24 hours thereafter and must be permitted to re-establish his contract for a period of 5 business days at the then prevailing bid prices without

commissions, fees or other mark-ups or charges.

(c) A record of all margin calls, including all contacts with leverage customers and attempts to contact leverage customers with respect to such calls, shall be kept by the leverage transaction merchant in accordance with the provisions of § 31.14.

§ 31.19 Unlawful representations.

It shall be unlawful for any person:

(a) Required to be registered with the Commission in accordance with §§ 3.17 and 3.18 of this chapter expressly or impliedly to represent that the Commission, by registering that person or by registering the leverage commodity which underlies contracts offered for sale or sold by that person, or otherwise, has directly or indirectly approved that person, the person's method of operation, or any leverage commodity or leverage contract solicited or accepted by that person;

(b) To represent in writing that it is registered with the Commission or that it is offering any leverage commodity registered with the Commission without also stating in writing in connection with that representation that the Commission, by registering that person or the leverage commodity which underlies contracts offered or sold by that person, has not directly or indirectly approved the person, the person's method of operation, or any leverage commodity or contract solicited or accepted by that person; or

(c) In or in connection with an offer to enter into, the entry into, the confirmation of the execution of, or the maintenance of any leverage contract, expressly or impliedly to represent that compliance with the provisions of the Act and these regulations constitutes a guarantee of the fulfillment of the leverage contract.

§ 31.20 Prohibition of guarantees against loss.

(a) No leverage transaction merchant shall in any way represent that it will, with respect to any leverage contract in any account carried by the leverage transaction merchant for or on behalf of any person:

(1) Guarantee such person against loss;

(2) Limit the loss of such person; or

(3) Not call for or attempt to collect initial, minimum or maintenance leverage margin established for customers.

(b) No person shall in any way represent that a leverage transaction merchant will engage in any of the acts or practices described in paragraphs (a)(1), (a)(2) or (a)(3) of this section.

(c) This section shall not be construed to prevent a leverage transaction merchant from assuming or sharing in the losses resulting from an error or mishandling of an order.

(d) This section shall not affect any guarantee entered into prior to the effective date of this section, but this section shall apply to any extension, modification or renewal thereof entered into after such date.

§ 31.21 Leverage contracts entered into prior to effective date of these regulations; subsequent transactions.

Nothing contained in these regulations shall be construed to affect any lawful activities that occurred prior to the effective date of these regulations. All leverage contracts offered or entered into on or after the effective date of these regulations shall be subject to the terms and conditions of these regulations.

§ 31.22 Prohibited trading in leverage contracts.

No futures commission merchant shall offer to enter into, enter into, confirm the execution of, or solicit or accept orders for any leverage contract: *Provided, however,* That the foregoing shall not apply to any person who was lawfully engaged in a leverage business and who was registered with the Commission as a futures commission merchant prior to the effective date of this section, and who has filed an application for registration in accordance with the provisions of § 3.17 of this chapter pending a final determination by the Commission on such application.

§ 31.23 Limited right to rescind first leverage contract.

(a) A leverage customer who is entering a leverage contract or contracts for the first time with a particular leverage transaction merchant may rescind such contract or contracts during a period of not less than three business days from and including the day on which the leverage customer receives the confirmation statement pursuant to the following provisions:

(1) Such customer may be assessed actual price losses accruing to the customer's position from the time at which the customer entered into a leverage contract to the time that the leverage contract was rescinded. Such losses do not extend to any other charges or fees, such as account initiation, carrying, margin or account termination;

(2) Losses accruing to the position may be calculated only by subtracting the ask price of the leverage contract offered by the leverage transaction

merchant at the time when the leverage contract was rescinded from the ask price at which the leverage contract was purchased and which appears on the confirmation statement.

(3) Such customer may rescind the contract by telegram sent to the leverage transaction merchant at the address provided on the confirmation statement, or by telephone to a telephone number provided by the leverage transaction merchant on the confirmation statement with immediate written affirmation of rescission by telegram, certified letter or at least equivalent means.

(b) A leverage transaction merchant must make complete refund of all monies received except for actual price losses as calculated in paragraph (a)(2) of this section, to the leverage customer who has rescinded a contract pursuant to paragraph (a) of this section within 24 hours of notification of rescission.

§ 31.24 Petitions for exemption.

Any person adversely affected by any requirement of this part may file a petition with the Secretary of the Commission, which petition must set forth with particularity the reasons why that person believes that he should be exempt from such requirement. The Commission may, in its discretion, grant such an exemption if that person demonstrates to the Commission's satisfaction that (a) under the exemption, that person's business will be conducted in a manner that may reasonably be expected to insure the financial solvency of the contracts to be offered and sold and to prevent manipulation and fraud, (b) the manner in which the business will be conducted will present no substantial risk to the public and (c) the exemption is not otherwise contrary to the public interest or to the purposes of the provision from which exemption is sought. The petition will be granted or denied on the basis of the papers filed. The petition may be granted subject to such terms and

conditions as the Commission may find appropriate.

PART 145—COMMISSION RECORDS AND INFORMATION

25. Section 145.5 is amended by adding paragraph (d)(1)(i)(F), by revising paragraphs (d)(1)(vi) and (d)(1)(vii), and by adding paragraph (d)(1)(viii) to read as follows:

§ 145.5 Nonpublic matters.

(d) * * *

(1) * * *

(i) * * *

(F) The following portions, and footnote disclosures thereof, of the Form 2-FR, provided the procedure set forth in § 31.13(m) of this chapter is followed: The Statement of Income (Loss), the Statement of Changes in Financial Position, the Statement of Changes in Ownership Equity, the Statement of Changes in Liabilities Subordinated to the Claims of General Creditors Pursuant to a Satisfactory Subordination Agreement and the accountant's report on material inadequacies filed under § 1.16(c)(5) of this chapter;

(iv) Reports required to be filed pursuant to Parts 15-21 of this chapter;

(vii) Reports concerning option positions of large traders required to be filed pursuant to Part 16 of this chapter; and

(viii) Form 188;

PART 147—OPEN COMMISSION MEETINGS

26. Section 147.3 is amended by adding paragraph (b)(4)(i)(A)(6) by revising paragraphs (b)(4)(i)(F) and (b)(4)(i)(G), and by adding paragraph (b)(4)(i)(H) to read as follows:

§ 147.3 General requirement of open meetings; grounds upon which meetings may be closed.

(b) * * *

(4) * * *

(i) * * *

(A) * * *

(6) The following portions, and footnote disclosures thereof, of the Form 2-FR provided the procedure set forth in § 31.13 of this chapter is followed: The Statement of Income (Loss), the Statement of Changes in Financial Position, the Statement of Changes in Ownership Equity, the Statement of Changes in Liabilities Subordinated to the Claims of General Creditors Pursuant to Satisfactory Subordination Agreement and the accountant's report on material inadequacies filed under § 1.16(c)(5) of this chapter;

(F) Reports required to be filed pursuant to Parts 15-21 of this chapter;

(G) Reports concerning option positions of large traders required to be filed pursuant to Part 16 of this chapter; and

(H) Form 188.

PART 190—BANKRUPTCY

27. Section 190.01 is amended by revising paragraph (g) and adding paragraph (nn) to read as follows:

§ 190.01 Definitions.

(g) "Commodity contract" shall have the same meaning, subject to paragraph (nn) of this section, as that set forth in Section 761(4) of the Bankruptcy Code.

(nn) "Leverage contract" shall have the same meaning as that set forth in § 31.4(w) of this chapter.

Issued in Washington, D.C. on February 7, 1984, by the Commission.

Jane K. Stuckey,
Secretary of the Commission.

BILLING CODE 6351-01-M

Date: _____

Disclosure Statement
Illustrative Transaction

Commodity _____ Contract Expiration: _____

Leverage Transaction Merchant's Ask Price Per Contract _____

Break-Even Calculation for a Leverage
Contract Left Open for One year a/

	If Contract is Repurchased	If Contract is Liquidated	If Delivery is Taken
Initial Charges	_____	_____	_____
Carrying Charges	_____	_____	_____
Termination Charges	_____	_____	_____
Bid-Ask Spread	_____	_____	_____
Total Charges and Spread:	_____	_____	_____
Price to Break-Even	_____ <u>b/</u>	_____ <u>b/</u>	_____ <u>d/</u>
Percentage Price Change to Break-Even	_____ <u>c/</u>	_____ <u>c/</u>	_____ <u>e/</u>

Price Series to Evaluate the Leverage Contract _____
Source of the Price Series _____

- a/ Based on current fee schedules, which are subject to change.
- b/ Equals total charges and spread plus bid price of the contract.
- c/ Equals total charges and spread divided by the ask price per contract.
- d/ Equals total initial, carrying and termination charges plus the ask price per contract; does not include any expense which will be incurred privately by the customer reselling the commodity, such as freight, insurance, assay, inspection or discounts typical in the retail market.
- e/ Equals initial, carrying and termination charges divided by the ask price per contract.

CONFIRMATION STATEMENT

IF YOU ARE A FIRST-TIME LEVERAGE CUSTOMER YOU MAY RESCIND YOUR FIRST LEVERAGE CONTRACT PURCHASE, SUBJECT ONLY TO ACTUAL PRICE LOSSES BUT OTHERWISE WITHOUT PENALTY FOR THREE BUSINESS DAYS FOLLOWING AND INCLUDING RECEIPT OF THIS CONFIRMATION. ACTUAL LOSSES ARE CALCULATED BY SUBTRACTING THE ASK PRICE OF THE LEVERAGE COMMODITY AT THE TIME OF THE CUSTOMER'S RESCISSION FROM THE ASK PRICE AT WHICH THE LEVERAGE COMMODITY WAS PURCHASED AND WHICH APPEARS ON THIS CONFIRMATION. TO RESCIND THIS CONTRACT SEND A TELEGRAM TO (name and address of LTM) OR YOU MAY TELEPHONE (name of LTM) AT (telephone number). IF YOU RESCIND BY TELEPHONE, YOU MUST ALSO SEND IMMEDIATE AFFIRMATION BY TELEGRAM, CERTIFIED LETTER OR AT LEAST EQUIVALENT MEANS TO THE ADDRESS PROVIDED ABOVE.

1. DATE	2. COMMODITY	3. TRANSACTION I.D. NUMBER
4. CONTRACT EXP. DATE	5. LEVERAGE MERCHANT'S ASK PRICE PER CONTRACT () X ()	NUMBER OF CONTRACTS = () TOTAL VALUE

I. BREAK-EVEN CALCULATION FOR A LEVERAGE CONTRACT LEFT OPEN FOR ONE YEAR a/

	IF CONTRACT IS REPURCHASED	IF CONTRACT IS LIQUIDATED	IF DELIVERY IS TAKEN
Initial Charges			
Carrying Charges			
Termination Charges			
Bid-Ask Spread			
Price to Break-Even			
Price to Break-Even	b/	b/	d/
Percentage Price Change to Break-Even	c/	c/	e/

II. MARGIN REQUIREMENTS (Dollars per Contract)

INITIAL MARGIN:	MINIMUM MARGIN:	MAINTENANCE MARGIN:
-----------------	-----------------	---------------------

PRICE SERIES TO EVALUATE THE LEVERAGE CONTRACT:	SOURCE OF THE PRICE SERIES:
---	-----------------------------

- a/ Based on current fee schedules, which are subject to change.
 b/ Equals total charges and spread plus bid price of the contract.
 c/ Equals total charges and spread divided by the ask price per contract.
 d/ Equals total initial, carrying and termination charges plus the ask price per contract; does not include any expenses, which will be incurred privately by the customer reselling the commodity, such as freight, insurance, assay, inspection, or discounts typical in the retail market.
 e/ Equals initial, carrying and termination charges divided by the ask price per contract.

Instructions for Preparing and Filing CFTC Form 188 on Leverage Contracts

Leverage Transaction Merchant

(See Part 31 of the Regulations under the Commodity Exchange Act.)

Report Date—The last business day of each calendar month.

Who Should Report—Each person registered as a leverage transaction merchant which has entered into a leverage transaction with a customer during the month preceding the report date ("reporting month") or has open leverage contracts with customers as of the close of business on the report date.

When to Report—The report shall be submitted to the Commission not later than the tenth business day following the report date.

Where to Report—The report shall be submitted to the Commodity Futures Trading Commission, Washington, D.C., office, at 2033 K Street, NW., Washington, D.C. 20581, Attn: Division of Economics and Education.

What to Report—Report all customer transactions and open contracts separately, by each leverage contract traded on a registered leverage commodity as follows.¹

1. The number of open contracts as of the close of business on the report date held by:

- a. All customers.
- b. Commercial enterprises (i.e., producers, processors, commercial users or merchants which, as part of their business, handle the commodity which is the subject of the leverage contract or the products or by-products thereof).

2. The total number of leverage contracts purchased by leverage customers during the month for:

- a. All customers.
- b. Commercial enterprises.

3. The total number of leverage contracts which were repurchased by leverage transaction merchants during the month.

4. The total number of leverage contracts which were liquidated by the leverage transaction merchant during the month (i.e., as a result of overdue or unanswered margin calls).

5. The total number of leverage contracts on which deliveries were taken during the month.

6. The total number of leverage contracts which were rescinded during the month.

¹ In accordance with the Commission's regulations regarding the registration of leverage commodities, different leverage commodities, specify different delivery units, i.e., 100 oz. gold bullion and one kilo gold bullion are different leverage commodities as are different grades of the same commodity.

Instructions for Preparing and Filing CFTC Form 189 on Leverage Contracts

Leverage Transaction Merchant

(See Part 31 of the Regulations under the Commodity Exchange Act.)

Report Date—The last business day of each calendar month.

Who Should Report—Each person registered as a leverage transaction merchant which has entered into a leverage contract with a customer during the month preceding the report date ("reporting month") or has open leverage contracts with customers as of the close of business on the report date.

When to Report—The report shall be submitted to the Commission not later than the tenth business day following the report date.

Where to Report—The report shall be submitted to the Commodity Futures Trading Commission, Washington, D.C. office, 2033 K Street, N.W., Washington, D.C. 20581, Attn: Division of Economics and Education.

What to Report—Report by each leverage contract traded on each registered leverage commodity the last bid price offered and the last ask price offered as of the close of business of each business day.²

CFTC FORM 2-FR

(OMB No. 3038-0029)

General Instructions

This form contains the financial statements and schedules which are required to be filed by each leverage transaction merchant, or applicant therefor, in accordance with the Commission's regulations. These instructions, and any other instructions issued from time to time, must be used in preparing this form and constitute a part of this form.

The heading of each page includes a space for the firm's employer identification number. Use the employer identification number ("EIN") assigned by the Internal Revenue Service.

The references in this form to Sections 1.12, 1.16, 1.17, 1.31, 31.4, 31.7, 31.8, 31.9, 31.11, 31.12, 31.13 and 145.9 are to the Commission's regulations contained in 17 CFR Chapter I. The reference to Section 240.15c3-1 is to the Securities and Exchange Commission's regulations contained in 17 CFR Chapter II.

Before completing this form, the applicant or registrant should be

² In accordance with the Commission's regulations regarding the registration of leverage commodities, different leverage commodities, specify different delivery units, i.e., 100 oz. gold bullion and one kilo gold bullion are different leverage commodities as are different grades of the same commodity.

familiar with the following sections of the Commission's regulations:

(1) 1.12—Maintenance of minimum financial requirements by futures commission merchants and introducing brokers.

(2) 1.16—Qualifications and reports of accountants (if this report is required to be certified by an independent public accountant).

(3) 1.17—Minimum financial requirements for futures commission merchants and introducing brokers.

(4) 1.31—Books and records; keeping and inspection.

(5) 31.4—Definitions [relating to leverage transactions].

(6) 31.7—Maintenance of minimum financial requirements by leverage transaction merchants.

(7) 31.8—Cover of leverage contracts.

(8) 31.9—Minimum financial requirements [for leverage transaction merchants].

(9) 31.11—Disclosure [by leverage transaction merchants].

(10) 31.12—Segregation [by leverage transaction merchants].

(11) 31.13—Financial reports of leverage transaction merchants.

(12) 145.9—Petition for confidential treatment of certain information submitted to the Commission.

The terms "current assets," "liabilities," "net capital," and "adjusted net capital" are all defined terms which may be found in Section 31.9 of the Commission's regulations. Those definitions largely incorporate by reference the definitions of those terms contained in Section 1.17 of the Commission's regulations, and leverage transaction merchants should be familiar with that section.

Unaudited Report

Each unaudited report filed pursuant to Section 31.13(f) must be completed in accordance with the instructions to the form and include the following:

- (a) A Statement of Financial Condition;
- (b) A Statement of the Computation of the Minimum Capital Requirements;
- (c) A Schedule of Leverage Contracts and Coverage Provided;
- (d) A Statement of Changes in Ownership Equity;
- (e) A Schedule of Segregation Requirements and Funds on Deposit in Segregation; and
- (f) Any additional information that may be necessary to make the required statements not misleading.

Audited Report

Each report certified by an independent public accountant must be completed in accordance with the

instructions to the form and contain the statements set forth above as well as the following statements all completed in accordance with Sections 1.16 and 31.13 of the regulations:

- (a) A Statement of Income (Loss);
- (b) A Statement of Changes in Financial Position;
- (c) A Statement of Changes in Liabilities Subordinated to the Claims of General Creditors Pursuant to a Satisfactory Subordination Agreement;
- (d) Accountant's report covering the Form 2-FR and all supporting schedules included as part of the report;
- (e) Accountant's supplemental report on material inadequacies; and
- (f) Appropriate footnote disclosures.

Each item on page 1 of the report form must be answered completely and the attestation must be signed and dated. This form must be based on the applicant's or registrant's accounting records. All records which support amounts shown in this report must be retained in accordance with Section 1.31 of the Commission's regulations.

The report must be prepared in conformity with generally accepted accounting principles (except where otherwise indicated by the regulations) applied on a basis consistent with that of the preceding report and must include all informative disclosures which are necessary to make the required statements and schedules not misleading. The report must be prepared on the accrual basis of accounting. If no response is made to an item or subdivision thereof, it will be assumed that the applicant or registrant has nothing to report.

Freedom of Information Act

This form generally is considered by the Commission to be a public record, copies of which may be obtained upon written request to the Commission's Office of Public Information in Washington, D.C. If a registrant or applicant follows the procedures set forth in Section 31.13(m) of the regulations for separate binding of certain portions of this form, only such separately bound portions will be made available to the public. The separately bound public portion of the form must include: (1) The Statement of Financial Condition; (2) the Statement of the Computation of the Minimum Capital Requirements; (3) the Schedule of Leverage Contracts and Coverage Provided; (4) the Schedule of Segregation Requirements and Funds on Deposit in Segregation; and (5) the independent public accountant's opinion, if the report is audited. Leverage transaction merchants are also reminded that Section 31.11(m) requires them to furnish, upon request, to all leverage customers whose leverage contracts have not matured or are otherwise still open, and to prospective customers who are being solicited to enter leverage contracts with it, a true copy of the quarterly unaudited or annual audited financial statement most recently filed with the Commission pursuant to Section 31.13, except that the portions of those statements which will generally be accorded non-public treatment by the Commission need not be so furnished.

Under the provisions of the Freedom of Information Act (5 U.S.C. § 552), the

Commission may disclose to third parties portions of the "non-public" information in the report under the following circumstances: (1) In connection with matters in litigation; (2) in connection with Commission investigations; (3) where the information is furnished to regulatory, self-regulatory and law enforcement agencies to assist them in meeting responsibilities assigned to them by law; (4) where disclosure is required under the Freedom of Information Act; and (5) in other circumstances in which withholding of such information appears unwarranted.

If the applicant or registrant files a petition for confidential treatment of this information, Section 145.9 of the Commission's regulations affords the applicant or registrant with the right to notice and a right to appeal any Commission staff decision to disclose this information pursuant to a request for information under the Freedom of Information Act. In addition, if the applicant or registrant believes that the placing of any other information submitted on or with this form in the Commission's public files would constitute an unwarranted invasion of the applicant's or registrant's personal privacy or would reveal sensitive business information, the registrant or applicant may petition the Commission to treat such other information as nonpublic pursuant to § 145.9 in response to requests under the Freedom of Information Act.

BILLING CODE 6351-01-M

OMB No. 3038-0029

COMMODITY FUTURES TRADING COMMISSION
LEVERAGE TRANSACTION MERCHANT'S
REPORT ON LEVERAGE CONTRACTS
FORM CFTC 188

Leverage Transaction Merchant's Name:

Report Date:

Customer Accounts

NOTICE: Failure to file a report required by the Commodity Exchange Act and the regulations thereunder, or the filing of a false or fraudulent report may be a basis for administrative action under 7 U.S.C. Sec. 9, and may be punishable by fine or imprisonment, or both, under 7 U.S.C. Sec. 13, or 18 U.S.C. Sec. 1001.

		Commodity:	Commodity:	Commodity:
1. NUMBER OF LEVERAGE CONTRACTS OPEN AT END OF MONTH	contract- contract- contract-			
2. NUMBER OF LEVERAGE CONTRACTS IN COMMERCIAL ACCOUNTS OPEN AT END OF MONTH	contract- contract- contract-			
3. NUMBER OF LEVERAGE CONTRACTS ENTERED INTO DURING MONTH	contract- contract- contract-			
4. NUMBER OF LEVERAGE CONTRACTS ENTERED INTO DURING MONTH BY COMMERCIAL ACCOUNTS	contract- contract- contract-			
5. NUMBER OF REPURCHASES DURING THE MONTH	contract- contract- contract-			
6. NUMBER OF LIQUIDATIONS DURING THE MONTH	contract- contract- contract-			
7. NUMBER OF DELIVERIES TAKEN DURING THE MONTH	contract- contract- contract-			
8. NUMBER OF CONTRACTS RESCINDED DURING THE MONTH	contract- contract- contract-			

COMMODITY FUTURES TRADING COMMISSION
LEVERAGE TRANSACTION MERCHANT'S BID
AND ASK PRICES AT CLOSE OF TRADING
FORM CFTC 189

Leverage Transaction Merchant's Name:

Report Date:

NOTICE: Failure to file a report required by the Commodity Exchange Act and the regulations thereunder, or the filing of a false or fraudulent report may be a basis for administrative action under 7 U.S.C. Sec. 9, and may be punishable by fine or imprisonment, or both, under 7 U.S.C. Sec 13, or 18 U.S.C. Sec. 1001.

Day of the Month	Type of Commodity:		Type of Commodity:		Type of Commodity:		Type of Commodity:		Type of Commodity:		Type of Commodity:	
	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
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24												
25												
26												
27												
28												
29												
30												
31												

Note: Denote a weekend or holiday on which no transactions took place by "C."

FORM 2-FR

Name of Registrant or Applicant	Firm Employer ID No.
Address of Principal Place of Business	Name of Person to Contact Concerning This Report
(City) (State) (Zip Code)	Telephone No. of Contact ()

1. Report for the period beginning _____ and ending _____
2. Name of Designated Self-Regulatory Organization Supervising Registrant _____
3. If an audited report, identify independent public accountant expressing an opinion thereon:
NAME _____
ADDRESS _____
(Number and Street)
(City) (State) (Zip Code)

The leverage transaction merchant, or applicant for registration therefor, submitting this Form and its attachments and the person whose signature appears below represent that, to the best of their knowledge, all information contained therein is true, correct and complete. It is understood that all required items, statements and schedules are integral parts of this Form and that the submission of any amendment represents that all unamended items, statements and schedules remain true, correct and complete as previously submitted. It is further understood that any intentional misstatements or omissions of facts constitute Federal Criminal Violations (see 18 U.S.C. 1001).

Signed this _____ day of _____ 19 ____.

Manual signature _____
Type or Print Name _____

☐ Sole Proprietor

☐ Chief Financial Officer

☐ General Partner

☐ Chief Executive Officer

Firm:

/ Firm Employer ID No.

FORM 2-FR

STATEMENT OF FINANCIAL CONDITION

AS OF ____/____/____

Assets

	<u>Current</u>	<u>Non-Current</u>	<u>Total</u>
1. Cash:			
A. Cash	\$ _____		\$ _____
B. Cash segregated for the benefit of leverage customers.	_____		_____
C. Other restricted cash.	_____	\$ _____	_____
2. Receivables from and deposits with clearing organizations:			
A. Securities transactions.	_____		_____
B. Firm commodity transactions	_____		_____
3. Receivables from other futures commission merchants and brokers:			
A. Firm commodity transactions.	_____		_____
B. Securities transactions (attach details).	_____		_____
C. Allowance for doubtful accounts	() _____		() _____
D. Security deposit		_____	_____
4. Receivables from leverage customers:			
A. Debit and deficit accounts	_____	_____	_____
B. Allowance for doubtful accounts	() _____	() _____	() _____
5. Receivables from proprietary leverage accounts:			
A. Debit and deficit accounts of general partners.	_____	_____	_____
B. Allowance for doubtful accounts	() _____	() _____	() _____

6. Other receivables and advances:

A. Merchandising	<input type="text"/>	<input type="text"/>	<input type="text"/>
B. Taxes receivable	<input type="text"/>	<input type="text"/>	<input type="text"/>
C. Insurance claims	<input type="text"/>	<input type="text"/>	<input type="text"/>
D. Dividends and interest	<input type="text"/>	<input type="text"/>	<input type="text"/>
E. Notes receivable	<input type="text"/>	<input type="text"/>	<input type="text"/>
F. Advances on cash commodities	<input type="text"/>	<input type="text"/>	<input type="text"/>
G. Receivables from employees and leverage representatives	<input type="text"/>	<input type="text"/>	<input type="text"/>
H. Other (itemize here or on a separate page)	<input type="text"/>	<input type="text"/>	<input type="text"/>
I. Allowance for doubtful accounts	(<input type="text"/>) <input type="text"/>	(<input type="text"/>) <input type="text"/>	(<input type="text"/>) <input type="text"/>

7. Securities purchased under agreement to resell

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

8. Inventories of securities—readily marketable, at market value:

A. Firm owned	<input type="text"/>	<input type="text"/>	<input type="text"/>
B. Customer owned in segregation	<input type="text"/>	<input type="text"/>	<input type="text"/>
C. Investment of segregated funds	<input type="text"/>	<input type="text"/>	<input type="text"/>

9. Inventories of cash commodities, raw materials, work in progress and finished goods

A. Covered	<input type="text"/>	<input type="text"/>	<input type="text"/>
B. Not covered	<input type="text"/>	<input type="text"/>	<input type="text"/>
C. Segregated -- cover for leverage contracts	<input type="text"/>	<input type="text"/>	<input type="text"/>

10. Securities owned not readily marketable at estimated fair value

<input type="text"/>	<input type="text"/>
----------------------	----------------------

11. Partners' individual securities accounts at market value

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

12. Secured demand notes (market value of collateral \$ --safety factor charges applicable to such collateral

\$ <input type="text"/>)	<input type="text"/>	<input type="text"/>	<input type="text"/>
-------------------------------------	----------------------	----------------------	----------------------

13. Guarantee deposits with and stock in clearing organizations (at cost)

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

14. Exchange memberships (market value \$) at cost

<input type="text"/>	<input type="text"/>
----------------------	----------------------

15. Investments in and receivables from affiliates and subsidiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Plant, property, equipment and capitalized leases (at cost net of accumulated depreciation and amortization of \$_____)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Other assets:			
A. Prepaid expenses and deferred charges		<input type="checkbox"/>	<input type="checkbox"/>
B. Miscellaneous (itemize here or on a separate page)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Total Assets.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Firm: _____	/ Firm Employer ID No. _____
-------------	------------------------------

FORM 2-FR

STATEMENT OF FINANCIAL CONDITION

AS OF ____/____/____

Liabilities & Ownership EquityLiabilities

- | | |
|---|---|
| 19. Loans payable:
A. Secured by warehouse receipts.
B. Secured by other property . .
C. Unsecured | \$ _____

_____ |
| 20. Securities sold under repurchase agreement | _____ |
| 21. Payable to clearing organizations:
A. Securities accounts.
B. Firm commodity accounts. . . | _____

_____ |
| 22. Payable to other futures commission merchants or brokers:
A. Payables relating to securities transactions (attach details)
B. Payables relating to firm commodity transactions . . . | _____

_____ |
| 23. Payable to leverage customers . . | _____ |
| 24. Payable to proprietary accounts:
A. Securities accounts
B. Commodity and leverage accounts of general partners. | _____

_____ |
| 25. Securities sold not yet purchased at market value--including arbitrage | _____ |
| 26. Accounts payable, accrued liabilities and expenses:
A. Drafts payable
B. Accounts payable
C. Income taxes payable
D. Deferred income taxes
E. Accrued expenses and other liabilities | _____

_____ |

F. Salaries, wages and commissions payable	<input type="text"/>	<input type="text"/>
G. Advances against commodities	<input type="text"/>	<input type="text"/>
H. Notes, mortgages and other payables due within twelve months of the date of this statement (see item 27) . .	<input type="text"/>	<input type="text"/>
I. Other (itemize here or on a separate page)	<input type="text"/>	<input type="text"/>
27. Notes, mortgages and other payables not due within twelve months of the date of this statement:		
A. Unsecured	<input type="text"/>	<input type="text"/>
B. Secured	<input type="text"/>	<input type="text"/>
28. Liabilities subordinated to claims of general creditors:		
A. Subject to a satisfactory subordination agreement . .	<input type="text"/>	<input type="text"/>
B. Not subject to a satisfactory subordination agreement . .	<input type="text"/>	<input type="text"/>
29. Total liabilities	<input type="text"/>	<input type="text"/>
<u>Ownership Equity</u>		
30. Sole proprietorship	<input type="text"/>	<input type="text"/>
31. Partnership:		
A. Partnership contributed and retained capital	<input type="text"/>	<input type="text"/>
B. Additional capital per partnership agreement (equities in partners' trading accounts, etc.)	<input type="text"/>	<input type="text"/>
32. Corporation:		
A. Preferred stock	<input type="text"/>	<input type="text"/>
B. Common stock	<input type="text"/>	<input type="text"/>
C. Additional paid in capital .	<input type="text"/>	<input type="text"/>
D. Retained earnings	<input type="text"/>	<input type="text"/>
E. Sub-total	<input type="text"/>	<input type="text"/>
F. Less capital stock in treasury	<input type="text"/>	<input type="text"/>
33. Total ownership equity	<input type="text"/>	<input type="text"/>
34. Total liabilities and ownership equity	\$ <input type="text"/>	<input type="text"/>

Firm: _____ / Firm Employer ID No. _____

FORM 2-FR

STATEMENT OF THE COMPUTATION OF THE MINIMUM CAPITAL REQUIREMENTS

AS OF ____/____/____

Net Capital

1. Current assets - Item 18* \$ _____
2. Adjustments to current assets:
- A. Segregated assets (to the extent liabilities are deducted in 4(B) below)** . \$ _____
- B. (Increase)-decrease to clearing organization stock to reflect margin value . . . _____
- C. Total deductions () _____
- D. Net current assets \$ _____
3. Total liabilities - Item 29* . . . _____
4. Deduct:
- A. Liabilities subject to satisfactory subordination agreements - Item 28A* . . . _____
- B. Equities in leverage customers' accounts** . . . _____
- C. Certain deferred income tax liability (see regulation 1.17(c)(4)(iv)) . . . _____
- D. Certain current income tax liability (see regulation 1.17(c)(4)(v)) . . . _____
- E. Long term debt pursuant to regulation 1.17(c)(4)(vi) . . . _____
- F. Total deductions () _____
- G. Adjusted liabilities _____
5. Net capital \$ _____

Charges to Net Capital

6. Excess of advances paid on cash commodity contracts over 95% of the market value of commodities covered by such contracts \$ _____

* References are to item numbers on the Statement of Financial Condition.

** Item #2A must equal Item #4B.

7. Five percent (5%) of the market value of inventories covered by open futures contracts or commodity options. (See Note below).	<input type="text"/>
8. Twenty percent (20%) of the market value of uncovered inventories. (See Note below)	<input type="text"/>
9. Ten percent (10%) of the market value of commodities involved in fixed price commitments and forward contracts which are covered by open futures contracts or commodity options	<input type="text"/>
10. Twenty percent (20%) of the market value of commodities involved in fixed price commitments and forward contracts which are not covered by open futures contracts or commodity options	<input type="text"/>
11. Charges as specified in §240.15c3-1(c)(2)(vi) and (vii) (or, for securities brokers or dealers only, §240.15c3-1(f)) against securities:	
A. Securities owned:	
	Assets Market Value
(a) Bankers' acceptances, certificates of deposit and commercial paper . . \$	<input type="text"/>
(b) U.S. and Canadian government obligations . .	<input type="text"/>
(c) State and Municipal government obligations .	<input type="text"/>
(d) Corporate obligations .	<input type="text"/>
(e) Stocks and warrants . .	<input type="text"/>
(f) Arbitrage	<input type="text"/>
(g) Other securities	<input type="text"/>
(h) Total (a) - (g) \$	<input type="text"/>
B. Investment of segregated funds	<input type="text"/>
C. Total A+B	<input type="text"/>

NOTE: There is no charge applicable to inventories registered as deliverable on a contract market and which are covered by futures contracts; nor is any charge applicable against inventories representing cover for leverage contracts.

12. Charges on securities options as specified in §240.15c3-1, Appendix A ☐
13. Charges against open contractual commitments as specified in §240.15c3-1(c) (2) (viii) ☐
14. Undermargined leverage customer accounts -- amount in each account required to meet maintenance margin requirements less the amount of current margin calls in that account ☐
15. Uncovered open futures (unless such futures represent cover for leverage contracts entered into by the leverage transaction merchant, in which case there is no charge) and commodity option contracts in proprietary accounts -- percentage of margin requirements applicable to such contracts. ☐
Less: equity in proprietary accounts included in liabilities (p.5, line 24B) (☐) ☐
16. A. Ten percent (10%) of the market value of commodities which are the subject of commodity options not traded on a contract market carried long by the applicant or registrant which has value and such value increased adjusted net capital (this charge is limited to the value attributed to such options) . . . ☐
- B. Commodity options which are traded on contract markets and carried long in proprietary accounts. Charge is the same as would be applied if applicant or registrant was the grantor of the options (this charge is limited to the value attributed to such options) ☐
17. Five percent (5%) of all unsecured receivables from unregistered futures commission merchants or securities brokers or dealers . . ☐
18. Secured demand note deficiency . ☐

19. For securities brokers or dealers
all other deductions specified
in §240.15c3-1

--

Net Capital Computation

20. Total charges

()
---	--	---

21. Adjusted net capital

\$	
----	--

22. Net capital required:

- A. Market value of the physical
commodities underlying each
uncovered leverage contract
entered into by the leverage
transaction merchant* . . .

--	--

- B. 20% of A

- C. Enter \$2,500,000 plus B

--

23. Excess net capital (Item 21 less
Item 22C)

\$	
----	--

24. Enter 120% of line 22C. This is
your early warning capital level.
If this amount is greater than
the amount on line 21, you must
immediately notify your DSPO and
the Commission and begin filing
monthly financial reports pursuant
to regulation §31.7(b).

\$	
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*Indicate below the cash price series used, by commodity, to compute the
value in Item 22A

Firm: _____ / Firm Employer ID No. _____

FORM 2-FR

SCHEDULE OF COVERAGE REQUIREMENTS AND COVERAGE PROVIDED

PHYSICAL COMMODITY SUBJECT TO A LEVERAGE CONTRACT	Platinum	Gold Bullion	Bulk Gold Coins	Silver Bullion	Bulk Silver Coins
1. Quantity of physical commodities subject to leverage contracts carried in leverage customers' accounts (oz., lbs., etc.)					
2. Coverage required -- Enter 90% of line 1					
3. Coverage provided:					
A. Futures and options:					
i. Quantity of physical commodities subject to futures contracts . . .					
ii. Quantity of physical commodities subject to exchange-traded options.					
B. Quantity of inventory* (this must equal at least 25% of line 1 -- if it does not, see regulation §31.8(b))					
C. Other (describe on a separate sheet)					
D. Total (sum of A, B, and C)					
4. Excess (insufficiency) of coverage (3D minus 2). If there is an insufficiency, see regulation §31.8(b) . . .					

* The inventory appearing on this line, if encumbered, may not be encumbered in excess of 70 percent of its market value. See regulation §31.8(a)(2)(i) and (ii).

Firm: _____ / Firm Employer ID No. _____

FORM 2-FR

SCHEDULE OF COVERAGE REQUIREMENTS AND COVERAGE PROVIDED

PHYSICAL COMMODITY SUBJECT TO A LEVERAGE CONTRACT	Copper	British Pound	Deutsche Mark	Japanese Yen	Swiss Franc
1. Quantity of physical commodities subject to leverage contracts carried in leverage customers' accounts (oz., lbs., etc.)					
2. Coverage required -- Enter 90% of line 1					
3. Coverage provided:					
A. Futures and options:					
i. Quantity of physical commodities subject to futures contracts					
ii. Quantity of physical commodities subject to exchange-traded options.					
B. Quantity of inventory* (this must equal at least 25% of line 1 -- if it does not, see regulation §31.8(b))					
C. Other (describe on a separate sheet)					
D. Total (sum of A, B, and C)					
4. Excess (insufficiency) of coverage (3D minus 2). If there is an insufficiency, see regulation §31.8(b)					

* The inventory appearing on this line, if encumbered, may not be encumbered in excess of 70 percent of its market value. See regulation §31.8(a)(2)(i) and (ii).

Firm: _____	/ Firm Employer ID No. _____
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FORM 2-FR

STATEMENT OF INCOME (LOSS)

FOR THE PERIOD FROM _____ THROUGH _____

Revenues

1. Merchandising activities:			
A. Net sales	\$	<div style="border: 1px solid black; width: 100px; height: 20px;"></div>	
B. Cost of goods sold	(<div style="border: 1px solid black; width: 100px; height: 20px;"></div>)	
C. Gross income from sales . .			\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div>
2. Leverage commissions.			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
3. Leverage maintenance fees			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
4. Firm trading accounts:			
A. Realized commodity futures and options			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
E. Unrealized commodity futures and options			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
C. Realized security and security options			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
D. Unrealized security and security options			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
5. Interest and dividends:			
A. Interest earned on investments of leverage customers' segregated funds			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
B. Interest earned on leverage customer debit balances. . .			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
C. Other interest and dividends			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
6. Other income (itemize here or on a separate page)			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
7. Total revenue			\$ <div style="border: 1px solid black; width: 100px; height: 20px;"></div>

Expenses

8. Commissions			
9. Employee compensation and benefits (exclusive of commissions) . . .			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
10. Occupancy and equipment rental .			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>
11. Advertising and promotional activities			<div style="border: 1px solid black; width: 100px; height: 20px;"></div>

12. Communications	<input type="text"/>
13. Bad debt expense:	
A. Leverage accounts.	<input type="text"/>
B. Merchandising	<input type="text"/>
C. Other	<input type="text"/>
14. Trade Errors:	
A. Customer Accounts	
B. Other	<input type="text"/>
15. Interest	<input type="text"/>
16. Warehousing expense	<input type="text"/>
17. Other expenses (itemize here or on a separate page)	<input type="text"/>
18. Total expenses	\$ <input type="text"/>
19. Income (loss) before income taxes and items below	<input type="text"/>
20. Income tax expense	<input type="text"/>
21. Minority interest in income of consolidated subsidiaries	<input type="text"/>
22. Equity in earnings of unconsol- idated subsidiaries less appli- cable tax	<input type="text"/>
23. Income (loss) before extra- ordinary items	<input type="text"/>
24. Extraordinary gains (loss), less applicable tax	<input type="text"/>
25. Cumulative effect of changes in accounting principles, less applicable tax	<input type="text"/>
26. Net income (loss)	\$ <input type="text"/>

STATEMENT OF CHANGES IN FINANCIAL POSITION

The statement may be in any format which is relevant, but must be in accordance with generally accepted accounting principles.

Firm: _____ / Firm Employer ID No. _____

FORM 2-FR

STATEMENT OF CHANGES IN OWNERSHIP EQUITY

FOR THE PERIOD FROM _____ THROUGH _____

1. Total ownership equity as previously reported \$ _____
2. Net income (loss) for period _____
3. Other additions to capital (explain below) _____
4. Dividends (_____) _____
5. Other deductions from capital (including partner and proprietary withdrawals) (explain below) (_____) _____
6. Balance -- to agree with Item 33 on the current Statement of Financial Condition . . \$ _____

Date	Explanation	Addition (Deduction) Amount
		\$

SUPPLEMENTAL QUESTION

Do the amounts reported as ownership equity or liabilities subordinated to the claims of general creditors include any amounts expected to be withdrawn or maturing within the next six months? YES _____ NO _____.

If yes, furnish a statement giving full particulars.

Firm: _____	/ Firm Employer ID No. _____
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FORM 2-FR

SCHEDULE OF SEGREGATION REQUIREMENTS AND FUNDS

IN SEGREGATION AS OF ____/____/____

LEVERAGE CUSTOMER FUNDS

SEGREGATION REQUIREMENTS

- | | |
|--|---|
| 1. Net ledger balance: | |
| A. Cash | \$ <input style="width: 100px; height: 15px;" type="text"/> |
| B. Securities (at market) | <input style="width: 100px; height: 15px;" type="text"/> |
| 2. Net unrealized profit (loss) in leverage customers' open leverage contracts. | <input style="width: 100px; height: 15px;" type="text"/> |
| 3. Net equity (deficit) (total of 1 and 2) | <input style="width: 100px; height: 15px;" type="text"/> |
| 4. Add accounts liquidating to a deficit and accounts with debit balances with no open contracts | <input style="width: 100px; height: 15px;" type="text"/> |
| 5. Amount required to be segregated (total of 3 and 4) | <input style="width: 100px; height: 15px;" type="text"/> |

FUNDS IN SEGREGATION

6. Funds on deposit in segregated leverage customer accounts:

	<u>BANKS</u>	<u>FCMs</u>	
A. Cash	<input style="width: 100px; height: 15px;" type="text"/>	<input style="width: 100px; height: 15px;" type="text"/>	
B. Gain (loss) on open futures contracts		<input style="width: 100px; height: 15px;" type="text"/>	
C. Securities:			
i. Investments	<input style="width: 100px; height: 15px;" type="text"/>	<input style="width: 100px; height: 15px;" type="text"/>	
ii. Held for particular customers	<input style="width: 100px; height: 15px;" type="text"/>	<input style="width: 100px; height: 15px;" type="text"/>	
D. Unencumbered inventory	<input style="width: 100px; height: 15px;" type="text"/>	<input style="width: 100px; height: 15px;" type="text"/>	
E. Amount of funds in segregation (total of A, B, C, and D)	<input style="width: 100px; height: 15px;" type="text"/>	<input style="width: 100px; height: 15px;" type="text"/>	<input style="width: 100px; height: 15px;" type="text"/>
7. Excess (insufficiency) of funds in segregation (5 minus 6.E)			<input style="width: 100px; height: 15px;" type="text"/>

AUTHORITY: Sections 8a, 17 and 19 of the Commodity Exchange Act

(7 U.S.C. 12a, 21 and 23).