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Chapter I—Civil Service Commission

PART 213—EXCEPTED SERVICE

National Advisory Commission on Food and Fiber

Section 213.3183 is added to show the exception under Schedule A of all positions on the Commission staff. Effective on publication in the FEDERAL REGISTER, § 213.3183 and paragraph (a) thereunder are added as set out below.

§ 213.3183 National Advisory Commission on Food and Fiber.

(a) All positions on the staff of the Commission.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commission.

[F.R. Doc. 66-95; Filed, Jan. 3, 1966; 8:48 a.m.]

PART 213—EXCEPTED SERVICE

Department of Defense

Section 213.3306 is amended to show that the title of the position of Deputy Assistant Secretary (Manpower Requirements and Special Studies) in the Office of the Assistant Secretary of Defense (Manpower) is changed to Deputy Assistant Secretary (Manpower Planning and Research). Effective on publication in the FEDERAL REGISTER, subparagraph (31) of paragraph (a) of § 213.3306 is amended as set out below.

§ 213.3306 Department of Defense.

(a) *Office of the Secretary.* • • •

(31) One Deputy Assistant Secretary (Civilian Personnel and Industrial Relations) and one Deputy Assistant Secretary (Manpower Planning and Research), Office of the Assistant Secretary of Defense (Manpower).

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633; E.O. 10577, 19 F.R. 7521, 3 CFR, 1954–1958 Comp., p. 218)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-50; Filed, Jan. 3, 1966; 8:47 a.m.]

Title 7—AGRICULTURE

Chapter VII—Agricultural Stabilization and Conservation Service (Agricultural Adjustment), Department of Agriculture

[Amdt. 6]

PART 730—RICE

Subpart—Regulations for Determination of Acreage Allotments for 1964 and Subsequent Crops of Rice

MISCELLANEOUS AMENDMENTS

On page 14048 of the FEDERAL REGISTER of November 6, 1965 (30 F.R. 14048), was published a notice of proposed rule making to issue amendments to the regulations for determination of acreage allotments for 1964 and subsequent crops of rice. Interested persons were given 30 days after publication of such notice in which to submit written data, views, or recommendations with respect to the proposed amendments.

No data, views, or recommendations were received and the proposed amendments are adopted without change as set forth below.

Basis and purpose. The amendments herein are issued pursuant to and in accordance with the Agricultural Adjustment Act of 1938, as amended.

The purpose of these amendments is to provide that (1) a person who acquired producer rice allotment and related history acreage under § 730.1025 or § 730.1525 of this part, shall be considered an old producer with respect to such acquired allotment only if such person continues the required farming operations of the producer from whom the allotment was acquired, and (2) a farm which includes land for which no rice allotment was established because the owner of a parent farm did not designate rice allotment for such land in making a reconstitution pursuant to Part 719 of this chapter, shall not be eligible for a new farm rice allotment for 5 years beginning with the year in which the reconstitution becomes effective.

§ 730.1511 [Amended]

1. Paragraph (e) of § 730.1511 is amended by changing the period at the end thereof to a colon and adding the following: "*Provided*, That a person who acquired producer rice allotment and related history acreage under § 730.1025 or § 730.1525, shall be considered an old producer with respect to such acquired allotment only if such person continues the required farming operations of the producer from whom the allotment was acquired."

2. Paragraph (a) of § 730.1529 is amended to read:

§ 730.1529 Determination of allotments for new farms.

• • • • •

(g) Notwithstanding any other provision of this section, (1) a farm which includes land acquired by an agency having the right of eminent domain for which the entire rice allotment was pooled pursuant to Part 719 of this chapter, which is subsequently returned to agricultural production, shall not be eligible for a new farm rice allotment for a period of 5 years from the date the former owner was displaced from the acquired farm, (2) a farm which includes land for which no rice allotment was established because the owner of a parent farm did not designate rice allotment for such land in making a reconstitution pursuant to Part 719 of this chapter, shall not be eligible for a new farm rice allotment for a period of 5 years beginning with the year in which the reconstitution becomes effective.

(Secs. 301, 353, 375, 52 Stat. 38, as amended, 61, as amended, 66, as amended; 7 U.S.C. 1301, 1353, 1375)

Effective date. 30 days after publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on December 29, 1965.

H. D. GODFREY,
Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 66-36; Filed, Jan. 3, 1966; 8:46 a.m.]

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

[Orange Reg. 52]

PART 905—ORANGES, GRAPEFRUIT, TANGERINES, AND TANGELOS GROWN IN FLORIDA

Limitation of Shipments

§ 905.479 Orange Regulation 52.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 905, as amended (7 CFR Part 905; 30 F.R. 13933), regulating the handling of oranges, grapefruit, tangerines, and tangelos grown in Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other

available information. It is hereby found that the limitation of shipments of oranges, including Temple and Murcott Honey oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, including Temple and Murcott Honey oranges, grown in the production area, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Growers Administrative Committee on December 29, 1965, such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of oranges, including Temple and Murcott Honey oranges, and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) Terms used in the amended marketing agreement and order shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order; and terms relating to grade, diameter, standard pack, and standard box, as used herein, shall have the applicable meaning given to the respective term in the U.S. Standards for Florida Oranges and Tangelos (7 CFR 51.1140–51.1178), or in Regulation 105–1.02, as amended effective January 1, 1966, of the Regulations of the Florida Citrus Commission.

(2) Orange Regulation 51 (30 F.R. 15030) is hereby terminated at 12:01 a.m., e.s.t., January 3, 1966.

(3) During the period beginning at 12:01 a.m., e.s.t., January 3, 1966, and ending at 12:01 a.m., e.s.t., August 1, 1966, no handler shall ship between the production area and any point outside thereof in the continental United States, Canada, or Mexico:

(i) Any oranges, except Temple and Murcott Honey oranges, grown in the production area, which do not grade at least Florida No. 1 grade for oranges (including tangelos, Temple, and Murcott Honey oranges);

(ii) Any oranges, except Temple and Murcott Honey oranges, grown in the production area, which are of a size smaller than 2$^{8}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in said U.S. Standards for Florida Oranges and Tangelos: *Provided*, That in determining the percentage of oranges in any lot which are smaller than 2$^{8}/_{16}$ inches in diameter, such percentage shall be based only on those oranges in such lot which are of a size 2$^{1}/_{16}$ inches in diameter or smaller;

(iii) Any Temple oranges, grown in the production area, which do not grade at least U.S. No. 1;

(iv) Any Temple oranges, grown in the production area, which are of a size smaller than 2$^{8}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of Temple oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in the aforesaid U.S. Standards for Florida Oranges and Tangelos;

(v) Any Murcott Honey oranges, grown in the production area, which do not grade at least U.S. No. 1 Russet; or

(vi) Any Murcott Honey oranges, grown in the production area, which are of a size smaller than 2$^{4}/_{16}$ inches in diameter, except that a tolerance of 10 percent, by count, of Murcott Honey oranges smaller than such minimum diameter shall be permitted, which tolerance shall be applied in accordance with the provisions for the application of tolerances specified in the U.S. Standards for Florida Oranges and Tangelos.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: December 30, 1965.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 65–14020; Filed, Dec. 30, 1965; 11:42 a.m.]

[Lemon Reg. 195]

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Limitation of Handling

§ 910.495 Lemon Regulation 195.

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in California and Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601–674), and upon the basis of the recommendations and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such lemons, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication hereof in the FEDERAL REGISTER (5 U.S.C. 1001–1011) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The committee held an open meeting during the current week, after giving due notice thereof, to consider supply and market conditions for lemons and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject hereto which cannot be completed on or before the effective date hereof. Such committee meeting was held on December 28, 1965.

(b) *Order.* (1) The respective quantities of lemons grown in California and Arizona which may be handled during the period beginning at 12:01 a.m., P.s.t., January 2, 1966, and ending at 12:01 a.m., P.s.t., January 9, 1966, are hereby fixed as follows:

(i) District 1: 41,850 cartons;

(ii) District 2: 139,500 cartons;

(iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "District 1," "District 2," "District 3," and "carton" have the same meaning as when used in the said amended marketing agreement and order.

(Secs. 1–19, 48 Stat. 31, as amended; 7 U.S.C. 601–674)

Dated: December 29, 1965.

PAUL A. NICHOLSON,
Deputy Director, Fruit and Vegetable Division, Consumer and Marketing Service.

[F.R. Doc. 65–14021; Filed, Dec. 30, 1965; 11:43 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[CCC Honey Price Support Reg. Amdt. 3]

PART 1434—HONEY

Subpart—Honey Price Support Regulations

ELIGIBLE PRODUCERS AND DETERMINATION OF QUALITY

The regulations issued by the Commodity Credit Corporation, published in 29 F.R. 5307, 29 F.R. 11833, and 30 F.R. 7097 and containing the Honey Price Support Regulations are hereby amended as follows:

1. Section 1434.56 is amended to delete the provisions relating to cooperative marketing associations in paragraph (a) and to add a new paragraph (f) to provide that an approved cooperative marketing association may obtain price support in behalf of its producer-members. The amended paragraph (a) and added paragraph (f) of § 1434.56 read as follows:

§ 1434.56 Eligible producers.

(a) *Producer.* An eligible producer shall be a person (i.e., an individual, partnership, corporation, estate, trust, or other legal entity) who extracts honey produced by bees owned by him.

* * * * *

(f) *Approved cooperative.* An approved cooperative marketing association which meets the applicable requirements of the regulations in Part 1425 of this chapter shall be eligible to obtain price support in behalf of its members who are eligible producers. The term "producer" as used in this subpart and on applicable price support forms shall refer both to an eligible producer as defined in paragraphs (a), (b), and (c) of this section and to an approved cooperative marketing association as defined in this paragraph (f).

2. Paragraph (b) of § 1434.65 is amended to provide that the determination of the color and quality of honey delivered to CCC is to be based on inspection certificates issued on the basis of samples drawn by ASCS representatives supervising delivery and to read as follows:

§ 1434.65 Determination of quality.

* * * * *

(b) *Samples for delivery.* When honey is delivered to CCC, its quality and color shall be determined by the Processed Products Standardization and Inspection Branch, Fruit and Vegetable Division, C&MS, in accordance with U.S. Standards for Grades of Extracted Honey on the basis of samples drawn by ASCS representatives supervising delivery. The cost of quality and color determination shall not be for the account of CCC.

* * * * *

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b; interpret or apply sec. 5, 62 Stat. 1072, secs. 201, 401, 63 Stat. 1052, 1054; 15 U.S.C. 714c, 7 U.S.C. 1446, 1421)

Effective date upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on December 29, 1965.

H. D. GODFREY,
Executive Vice President, Commodity Credit Corporation.

[F.R. Doc. 66–37; Filed, Jan. 3, 1966; 8:46 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 78—BRUCELLOSIS

Subpart D—Designation of Modified Certified Brucellosis Areas, Public Stockyards, Specifically Approved Stockyards and Slaughtering Establishments

MODIFIED CERTIFIED BRUCELLOSIS AREAS

Pursuant to § 78.16 of the regulations in Part 78, as amended, Title 9, Code of Federal Regulations, containing restrictions on the interstate movement of animals because of brucellosis, under sections 4, 5, and 13 of the Act of May 29, 1884, as amended; sections 1 and 2 of the Act of February 2, 1903, as amended; and section 3 of the Act of March 3, 1905, as amended (21 U.S.C. 111–113, 114a–1, 120, 121, 125), § 78.13 of said regulations designating modified certified brucellosis areas is hereby amended to read as follows:

§ 78.13 Modified certified brucellosis areas.

The following States, or specified portions thereof, are hereby designated as modified certified brucellosis areas:

Alabama. Autauga, Baldwin, Barbour, Bibb, Blount, Bullock, Butler, Calhoun, Chambers, Cherokee, Chilton, Choctaw, Clarke, Clay, Cleburne, Coffee, Colbert, Conecuh, Coosa, Covington, Crenshaw, Cullman, Dale, De Kalb, Elmore, Escambia, Etowah, Fayette, Franklin, Geneva, Hale, Henry, Houston, Jackson, Jefferson, Lamar, Lauderdale, Lawrence, Lee, Limestone, Macon, Madison, Marion, Marshall, Mobile, Monroe, Montgomery, Morgan, Pickens, Pike, Randolph, Russell, St. Clair, Shelby, Talladega, Tallapoosa, Tuscaloosa, Walker, Washington, and Winston Counties;

Arizona. The entire State;

Arkansas. The entire State;

California. The entire State;

Colorado. Alamosa, Archuleta, Baca, Chaffee, Clear Creek, Conejos, Costilla, Crowley, Custer, Delta, Denver, Dolores, Eagle, Fremont, Garfield, Gilpin, Gunnison, Hinsdale, Huerfano, Jefferson, Kiowa, Kit Carson, Lake, La Plata, Las Animas, Lincoln, Logan, Mesa, Mineral, Moffat, Montezuma, Montrose, Morgan, Otero, Ouray, Phillips, Pitkin, Prowers, Pueblo, Rio Grande, Saguache, San Juan, San Miguel, Sedgwick, Teller, Washington, Weld, and Yuma Counties; and Southern Ute Indian Reservation and Ute Mountain Ute Indian Reservation;

Connecticut. The entire State;

Delaware. The entire State;

Florida. Baker, Bay, Bradford, Calhoun, Columbia, Dixie, Escambia, Flagler, Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson, Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau, Okaloosa, Santa Rosa, Suwannee, Taylor, Union, Wakulla, Walton, and Washington Counties;

Georgia. The entire State;

Hawaii. Honolulu and Kauai Counties;

Idaho. The entire State;

Illinois. The entire State;

Indiana. The entire State;

Iowa. Adair, Adams, Alamakee, Appanoose, Audubon, Benton, Black Hawk, Boone, Bremer, Buchanan, Buena Vista, Butler, Calhoun, Carroll, Cass, Cedar, Cherokee, Clay, Clayton, Clinton, Crawford, Decatur, Delaware, Des Moines, Dickinson, Dubuque, Emmet, Fayette, Floyd, Franklin, Freemont, Greene, Grundy, Guthrie, Hamilton, Hancock, Harrison, Howard, Humboldt, Ida, Iowa, Jackson, Keokuk, Kossuth, Lee, Louisa, Lucas, Lyon, Marion, Marshall, Mills, Mitchell, Monona, Monroe, O'Brien, Osceola, Page, Palo Alto, Plymouth, Pocahontas, Polk, Sac, Scott, Shelby, Sioux, Story, Tama, Taylor, Union, Van Buren, Wapello, Warren, Washington, Webster, Winnebago, Winneshiek, Woodbury, Worth, and Wright Counties;

Kansas. The entire State;

Kentucky. The entire State;

Louisiana. Ascension, Assumption, Bienville, Claiborne, Jackson, Jefferson, St. Helena, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Union, Washington, Webster, and West Baton Rouge Parishes;

Maine. The entire State;

Maryland. The entire State;

Massachusetts. The entire State;

Michigan. The entire State;

Minnesota. The entire State;

Mississippi. Alcorn, Amite, Attala, Benton, Chickasaw, Choctaw, Clay, Covington, De Soto, Forrest, Franklin, George, Greene, Hancock, Harrison, Itawamba, Jackson, Jasper, Jefferson, Jefferson Davis, Jones, Lamar, Lawrence, Leake, Lee, Lincoln, Lowndes, Marion, Monroe, Neshoba, Newton, Oktibbeha, Pearl River, Perry, Pike, Pontotoc, Prentiss, Simpson, Smith, Stone, Tallahatchie, Tippah, Tishomingo, Union, Walthall, Webster, Winston, and Yalobusha Counties;

Missouri. The entire State;

Montana. The entire State;

Nebraska. Adams, Antelope, Banner, Boone, Buffalo, Burt, Butler, Cass, Cedar, Chase, Cheyenne, Clay, Colfax, Cuming, Dakota, Dawson, Deuel, Dixon, Dodge, Douglas, Dundy, Fillmore, Franklin, Frontier, Furnas, Gage, Gosper, Greeley, Hall, Hamilton, Harlan, Hayes, Hitchcock, Howard, Jefferson, Johnson, Kearney, Kimball, Knox, Lancaster, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Perkins, Phelps, Pierce, Platte, Polk, Red Willow, Richardson, Saline, Sarpy, Saunders, Seward, Sherman, Stanton, Thayer, Thurston, Washington, Wayne, Webster, and York Counties;

Nevada. The entire State;

New Hampshire. The entire State;

New Jersey. The entire State;

New Mexico. The entire State;

New York. The entire State;

North Carolina. The entire State;

North Dakota. The entire State;

Ohio. The entire State;

Oklahoma. Adair, Atoka, Canadian, Choctaw, Cimarron, Delaware, Garfield, Grant, Haskell, Kingfisher, Latimer, McCurtain, McIntosh, Mayes, Noble, Nowata, Okfuskee, Ottawa, Payne, Pushmataha, and Texas Counties;

Oregon. The entire State;

Pennsylvania. The entire State;

Rhode Island. The entire State;

South Carolina. The entire State;

South Dakota. Beadle, Brookings, Brown, Buffalo, Butte, Campbell, Clark, Clay, Codington, Custer, Day, Deuel, Edmunds, Faulk, Grant, Hamlin, Hand, Hanson, Harding, Jerauld, Lake, Lawrence, Lincoln, McCook, McPherson, Marshall, Miner, Minnehaha, Moody, Perkins, Roberts, Sanborn, Spink, Turner, Union, Walworth, Yankton, and Ziebach Counties; and Crow Creek Indian Reservation;

Tennessee. The entire State;

Texas. Andrews, Armstrong, Bailey, Bandera, Baylor, Bell, Bexar, Blanco, Borden, Brewster, Briscoe, Brown, Burnet, Caldwell, Callahan, Cameron, Carson, Castro, Childress, Cochran, Coke, Coleman, Collingsworth, Comal, Comanche, Concho, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dawson, Deaf Smith, Dickens, Donley, Eastland, Ector, Edwards, El Paso, Fisher, Floyd, Gaines, Garza, Gillespie, Glasscock, Gray, Guadalupe, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hays, Hidalgo, Hockley, Howard, Hudspeth, Hutchinson, Irion, Jeff Davis, Jim Wells, Jones, Karnes, Kendall, Kent, Kerr, Kimble, King, Kinney, Knox, Lamb, Lampasas, Lee, Lipscomb, Live Oak, Llano, Loving, Lubbock, Lynn, McCulloch, Martin, Mason, Medina, Menard, Midland, Mills, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Palo Pinto, Parmer, Pecos, Presidio, Randall, Reagan, Real, Reeves, Runnels, San Saba, Schleicher, Scurry, Shackelford, Sherman, Somervell, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry, Throckmorton, Tom Green, Travis, Upton, Uvalde, Val Verde, Ward, Wheeler, Wilson, Winkler, Yoakum, and Young Counties;

Utah. The entire State;

Vermont. The entire State;

Virginia. The entire State;

Washington. The entire State;

West Virginia. The entire State;

Wisconsin. The entire State;

Wyoming. Albany, Big Horn, Campbell, Carbon, Converse, Crook, Fremont, Goshen, Hot Springs, Laramie, Lincoln, Natrona, Niobrara, Park, Platte, Sublette, Sweetwater, Teton, Uinta, Washakie, and Weston Counties;

Puerto Rico. The entire area; and

Virgin Islands of the United States. The entire area.

(Secs. 4, 5, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, sec. 3, 33 Stat. 1265, as amended, sec. 2, 65 Stat. 693; 21 U.S.C. 111–113, 114a–1, 120, 121, 125; 29 F.R. 16210, as amended; 9 CFR 78.16)

Effective date. The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER.

The amendment adds the following additional areas to the list of areas designated as modified certified brucellosis areas because it has been determined that such areas come within the definition of § 78.1(i): Hale, Montgomery, and Pickens Counties in Alabama; Weld County in Colorado; Benton, Calhoun, Freemont, Jackson, Plymouth, Sioux, and Webster Counties in Iowa; West Baton Rouge Parish in Louisiana; and Jim Wells, Karnes, Lee, Live Oak, and Somervell Counties in Texas.

The amendment imposes certain restrictions necessary to prevent the spread of brucellosis in cattle and it should be made effective promptly in order to accomplish its purpose in the public interest. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and contrary to the public interest, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 23d day of December 1965.

R. E. OMOHUNDRO,
Acting Director, Animal Health Division, Agricultural Research Service.

[F.R. Doc. 66–6; Filed, Jan. 3, 1966; 8:45 a.m.]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter III—Economic Development Administration, Department of Commerce

APPLICABILITY OF REGULATIONS

The title of Chapter III is changed to read as above.

The Area Redevelopment Act expired on August 31, 1965. The Economic Development Administration succeeded to, among other things, certain responsibilities of the Area Redevelopment Administration, including the liquidation thereof. The regulations herein are those of the former Area Redevelopment Administration at the time of said termination of the Area Redevelopment Act. They continue to apply to projects approved under the Area Redevelopment Act unless subsequently rescinded or modified.

Dated this 23d day of December 1965.

EUGENE P. FOLEY,
Assistant Secretary and Director of Economic Development.

[F.R. Doc. 66–48; Filed, Jan. 3, 1966; 8:47 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER A—GENERAL

PART 8—COLOR ADDITIVES

Subpart C—Listing of Color Additives for Food Use Subject to Certification

ORANGE B; LISTING AND CERTIFICATION FOR FOOD USE

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 706 (b), (c), (d), 74 Stat. 399, 402; 21 U.S.C. 376 (b), (c), (d)) and under the authority delegated to him by the Secretary of Health, Education, and Welfare (21 CFR 2.90), the Commissioner of Food and Drugs, based on a petition (CAP 27) filed by the Certified Color Industry Committee, c/o Hazleton Laboratories, Inc., Post Office Box 30, Falls Church, Va., 22046, and other relevant material, finds that Orange B (disodium salt of 1-(4-sulfophenyl)-3-ethylcarboxy-4-(4-sulfonaphthylazo)-5-hydroxypyrazole) is safe for use as a color for the casings or surfaces of frankfurters and sausages under the conditions prescribed in this order, and that certification is necessary for the protection of the public health. Therefore, Part 8 is amended by adding to Subpart C the following new section:

§ 8.202 Orange B.

(a) *Identity.* (1) The color additive Orange B is principally the disodium salt of 1 - (4-sulfophenyl) -3-ethylcarboxy-4-(4-sulfonaphthylazo) - 5 - hydroxypyrazole.

(2) The diluents in color additive mixtures for food use containing Orange B are limited to those listed in Subpart D of this part as safe and suitable in color additive mixtures for coloring foods.

(b) *Specifications.* Orange B shall conform to the following specifications:

Volatile matter (at 135° C.), not more than 6.0 percent.

Chlorides and sulfates (calculated as the sodium salts), not more than 7.0 percent.

Water insoluble matter, not more than 0.2 percent.

1-(4-Sulfophenyl) - 3 - ethylcarboxy - 5 - hydroxypyrazolone and 1-(4-sulfophenyl)-3-carboxy-5-hydroxypyrazolone, not more than 0.7 percent.

Naphthionic acid, not more than 0.2 percent.

Phenylhydrazine-*p*-sulfonic acid, not more than 0.2 percent.

The trisodium salt of 1-(4-sulfophenyl)-3-carboxy - 4 - (4 - sulfonaphthylazo)-5-hydroxypyrazole, not more than 6.0 percent.

Other subsidiary dyes, not more than 1.0 percent.

Lead (as Pb), not more than 10 parts per million.

Arsenic (as As), not more than 1 part per million.

Pure color, not less than 87.0 percent.

(c) *Uses and restrictions.* Orange B may be safely used for coloring the casings or surfaces of frankfurters and sausages subject to the restriction that the quantity of the color additive does not exceed 150 parts per million by weight of the finished food.

(d) *Labeling requirements.* The label of the color additive and any mixtures intended solely or in part for coloring purposes prepared therefrom shall conform to the requirements of § 8.32.

(e) *Certification.* All batches of Orange B shall be certified in accordance with regulations promulgated under Subpart A of this part.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C., 20201, written objections thereto, preferably in quintupli-

cate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing, and such objections must be supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective 60 days from the date of its publication in the FEDERAL REGISTER, except as to any provisions that may be stayed by the filing of proper objections. Notice of the filing of objections or lack thereof will be announced by publication in the FEDERAL REGISTER.

(Sec. 706 (b), (c), (d), 74 Stat. 399; 402; 21 U.S.C. 376 (b), (c), (d))

Dated: December 23, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-12; Filed, Jan. 3, 1966; 8:45 a.m.]

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 51—CANNED VEGETABLES

Canned Bean Sprouts; Confirmation of Effective Date of Order Amending Standard of Identity

In the matter of amending the standard of identity for canned vegetables other than those specifically regulated (21 CFR 51.990) to provide for the use of calcium lactate as a permitted optional ingredient in canned bean sprouts:

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended; 70 Stat. 919; 72 Stat. 948; 21 U.S.C. 341, 371), and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90), notice is given that no objections were filed to the order in the above-identified matter published in the FEDERAL REGISTER of November 9, 1965 (30 F.R. 14100). Accordingly, the amendments promulgated by that order will become effective January 8, 1966.

(Secs. 401, 701, 52 Stat. 1046, 1055, as amended, 70 Stat. 919; 72 Stat. 948; 21 U.S.C. 341, 371)

Dated: December 23, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-14; Filed, Jan. 3, 1966; 8:45 a.m.]

PART 51—CANNED VEGETABLES

Canned Artichokes; Order Amending Standard of Identity

In the matter of amending the definition and standard of identity for canned vegetables other than those specifically regulated (§ 51.990) to provide for the use of ascorbic acid as an optional ingredient in canned artichokes packed in glass:

No comments were received in response to the notice of proposed rule making in the above-identified matter published in the FEDERAL REGISTER of September 17, 1965 (30 F.R. 11922), based on a petition filed by Artichoke Industries, Inc., 11599 Walsh Street, Castroville, Calif., 95012. Relevant information having been considered, the Commissioner of Food and Drugs has concluded that it will promote honesty and fair dealing in the interest of consumers to adopt the amendments proposed.

Therefore, pursuant to the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended, 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371), and delegated by him to the Commissioner (21 CFR 2.90): *It is ordered*, That § 51.990 be amended by adding to paragraphs (c) and (f) new subparagraphs, as follows:

§ 51.990 Canned vegetables other than those specifically regulated; identity; label statement of optional ingredients.

* * * * * *

(c) * * *

(12) In the case of canned artichokes packed in glass containers, ascorbic acid may be added in a quantity not to exceed 32 milligrams per 100 grams of the finished food.

* * * * * *

(f) * * *

(13) If the optional ingredient specified in paragraph (c)(12) of this section is present, the label shall bear the statement "ascorbic acid added as a preservative" or "ascorbic acid added to preserve color" or "ascorbic acid added to retain color."

* * * * * *

Any person who will be adversely affected by the foregoing order may at any time within 30 days following the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C., 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing, and such objections must be supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective 60 days from the date of its publication in the FEDERAL REGISTER, except as to any provisions that may be stayed by the filing of proper objections. Notice of the filing of objections or lack thereof will be announced by publication in the FEDERAL REGISTER.

(Secs. 401, 701, 52 Stat. 1046, 1055, as amended, 70 Stat. 948; 21 U.S.C. 341, 371)

Dated: December 22, 1965.

J. K. KIRK,
Assistant Commissioner, for Operations.

[F.R. Doc. 66-13; Filed, Jan. 3, 1966; 8:45 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

SURFACE LUBRICANTS USED IN MANUFACTURE OF METALLIC ARTICLES

Five comments were received in response to the notice published in the FEDERAL REGISTER of August 19, 1964 (29 F.R. 11843), proposing to revise the food additive regulation relating to surface lubricants used in the manufacture of metallic articles (21 CFR 121.2531) to provide for the use of certain additional substances.

Three of the comments received were requests that certain of the substances listed in the proposed § 121.2531 for use in surface lubricants used only in the rolling of metallic foil and sheet stock also be permitted for use in the drawing, stamping, and forming of metallic articles from rolled foil or sheet stock by further processing. The basis for these comments was the fact that the current §121.2531 permits most of these substances to be used in surface lubricants in the drawing, stamping, and forming of metallic articles for rolled foil or sheet stock by further processing if the total residual lubricant does not exceed 2 milligrams per square foot of food-contact surface. In response to these comments § 121.2531 as issued in this order permits the use of these substances in surface lubricants used in the drawing, stamping, and forming of metallic food-contact articles subject to a total residual lubricant limit of 0.015 milligram per square inch of metallic food-contact surface that closely approximates the residual lubricant limit heretofore prescribed for such use of these substances by § 121.2531.

One comment received requested that the proposed § 121.2531 be revised to clarify the identity of the item "mineral oil" listed for use in the surface lubricants. This has been done by reference to § 121.2589.

On the basis of another comment, the item "acetylated mono- and diglycerides" has been deleted from the proposed § 121.2531(b) since it has been determined that the proposed item complies with § 121.1018 which prescribes safe conditions for the use of acetylated monoglycerides in nonfood articles.

In response to a petition (FAP 4B1243) filed by Nopco Chemical Co., 60 Park Place, Newark, N.J., 07102, the proposed

§ 121.2531 has been revised to include provision for the use of isobutyl stearate in surface lubricants used in the manufacture of metallic food-contact articles.

On his own initiative, the Commissioner of Food and Drugs has concluded that the proposed use of the item "polyethylene glycol (molecular weight greater than 300)" in the surface lubricants requires that the description of the polyethylene glycol be changed to include a 0.2 percent limit on total mono- and diethylene glycol content. The Commissioner has also concluded that the items "dioctyl sebacate" and "tin stearate" should be more accurately identified as "di(2-ethylhexyl) sebacate" and "stannous stearate," respectively.

On the initiative of the Commissioner the proposed § 121.2531 has also been revised by deleting references to substances generally recognized as safe or used in accordance with a prior sanction or approval since use of such substances is already covered by § 121.2500(d) of the general provisions applicable to Subpart F.

Accordingly, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409, 72 Stat. 1784 et seq.; 21 U.S.C. 348), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.90), the proposed regulation, changed as indicated, is adopted by revising § 121.2531 to read as follows:

§ 121.2531 Surface lubricants used in the manufacture of metallic articles.

The substances listed in this section may be safely used in surface lubricants employed in the manufacture of metallic articles that contact food, subject to the provisions of this section.

(a) The following substances may be used in surface lubricants used in the rolling of metallic foil or sheet stock provided that total residual lubricant remaining on the metallic article in the form in which it contacts food does not exceed 0.015 milligram per square inch of metallic food-contact surface:

(1) Substances identified in paragraph (b) (1) and (2) of this section.

(2) Substances identified in this subparagraph.

List of substances	*Limitations*
Tert-Butyl alcohol	
Dimers and trimers of unsaturated C_{18} fatty acids derived from: Animal and vegetable fats and oils, Tall oil.	For use only at a level not to exceed 10 percent by weight of finished lubricant formulation.
Ethylenediaminetetraacetic acid, sodium salts.	
Isopropyl alcohol	
Isopropyl oleate	
Methyl esters of fatty acids (C_{16}–C_{18}) derived from animal and vegetable fats and oils.	
Polyethylene glycol (400) monostearate.	
Polyisobutylene (minimum molecular weight 300).	
Polyvinyl alcohol	
Tallow, sulfonated	
Triethanolamine	

(b) The following substances may be used in surface lubricants used to facilitate the drawing, stamping, or forming of metallic articles from rolled foil or sheet stock by further processing provided that the total residual lubricant remaining on the metallic article in the form in which it contacts food does not exceed 0.2 milligram per square inch of food-contact surface:

(1) Antioxidants used in compliance with regulations in this Part 121.

(2) Substances identified in this subparagraph.

List of substances	*Limitations*
Acetyl tributyl citrate	
Acetyl triethyl citrate	
Butyl stearate	
Castor oil	
Dibutyl sebacate	
Di(2-ethylhexyl) sebacate.	
Dimethylpolysiloxane	Conforming to the identity prescribed in § 121.2001.
Dipropylene glycol	
Epoxidized soybean oil	Conforming to the identity prescribed in § 121.2001.
Fatty acids derived from animal and vegetable fats and oils, and salts of such acids, single or mixed, as follows:	
Aluminum	
Magnesium	
Potassium	
Sodium	
Zinc	
Fatty alcohols, straight-chain, with even number carbon atoms (C_{16} or greater).	
Isobutyl stearate	
Lanolin	
Linoleic acid amide	
Mineral oil	Conforming to the identity prescribed in § 121.2589 (a) or (b).
Mono-, di-, and tristearyl citrate.	
Oleic acid amide	
Palmitic acid amide	
Petrolatum	Conforming to the identity prescribed in § 121.2588.
Polyethylene glycol (molecular weight 300 or greater).	Mono- and diethylene glycol content not to exceed a total of 0.2 percent.
Polyoxyethylene (20) sorbitan monolaurate.	
Polysorbate 80	Conforming to the identity prescribed in § 121.1009.
Sorbitan monolaurate	
Sorbitan monooleate	
Stannous stearate	
Stearic acid amide	
Triethylene glycol	Diethylene glycol content not to exceed 0.1 percent.
Wax, petroleum	Complying with §121.2586.

(c) The substances identified in paragraph (a) (2) of this section may be used in surface lubricants used to facilitate the drawing, stamping, and forming of metallic articles from rolled foil and sheet stock provided that total residual lubricant remaining on the metallic article in the form in which it contacts food does not exceed 0.015 milligram per square inch of food-contact surface.

(d) Subject to any prescribed limitations, the quantity of surface lubricant used in the manufacture of metallic articles shall not exceed the least amount reasonably required to accomplish the intended technical effect and shall not be intended to nor, in fact, accomplish any technical effect in the food itself.

(e) The use of the surface lubricants in the manufacture of any article that is the subject of a regulation in this Subpart F must comply with any specifications prescribed by such regulation for the finished form of the article.

(f) Any substance that is listed in this section and the subject of a regulation in this Subpart F shall comply with any applicable specifications prescribed by such regulation. Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D.C., 20201, written objections thereto, preferably in quintuplicate. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409, 72 Stat. 1784 et seq.; 21 U.S.C. 348)

Dated: December 23, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-15; Filed, Jan. 3, 1966; 8:46 a.m.]

SUBCHAPTER C—DRUGS

PART 146c—CERTIFICATION OF CHLORTETRACYCLINE (OR TETRACYCLINE) AND CHLORTETRACYCLINE- (OR TETRACYCLINE-) CONTAINING DRUGS

Tetracycline- and Tetracycline Phosphate Complex-Amphotericin B Capsules; Change in Expiration Date

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357) and delegated

to the Commissioner of Food and Drugs by the Secretary (21 CFR 2.90), § 146c.260(c) of the antibiotic drug regulations is amended to provide for the subject drugs an additional expiration date of 24 months. As amended, the effected portion reads as follows:

§ 146c.260 Tetracycline-amphotericin B capsules; tetracycline phosphate complex-amphotericin B capsules.

* * * * *

(c) Labeling: The expiration date of the drug shall be 12 months, except that the date that is 18 months or 24 months after the month during which the batch was certified may be used if the person who requests certification has submitted to the Commissioner results of tests and assays showing that such drug as prepared by him is stable for such period of time.

* * * * *

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of this order, and I so find, since the nature of the change is such that it cannot be applied to any specific product unless and until the manufacturer thereof has supplied adequate data regarding that article.

Effective date. This order shall become effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463 as amended; 21 U.S.C. 357)

Dated: December 23, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-16; Filed, Jan. 3, 1966; 8:45 a.m.]

Title 41—PUBLIC CONTRACTS AND PROPERTY MANAGEMENT

Chapter 1—Federal Procurement Regulations

PART 1-12—LABOR

The following revision of Part 1-12 provides for the addition of a new subpart implementing the Service Contract Act of 1965 (P.L. 89-286) and the regulations issued thereunder by the Department of Labor (29 CFR Part 4). Essentially, subject to statutory and administrative limitations, the Act sets forth minimum wage and fringe benefit requirements with respect to contracts for the furnishing of services to the Government through the use of contract service employees. The new subpart covers such matters as statutory requirements, applicability, exemptions, contract clauses, and the administration and enforcement of the Act.

Part 1-12 is amended by the addition of the following subpart:

Subpart 1-12.9—Service Contract Act of 1965

Sec.

AUTHORITY: The provisions of this Subpart 1-12.9 issued under sec. 205(c), 63 Stat. 390; 40 U.S.C. 486(c).

Subpart 1-12.9—Service Contract Act of 1965

§ 1-12.901 Statutory requirements.

The Service Contract Act of 1965 (P.L. 89-286, sometimes hereinafter referred to in this subpart as the "Act") embraces two general requirements with respect to service contracts entered into by Federal agencies.

(a) Regardless of contract amount, no contractor or subcontractor holding a Federal service contract shall pay any of his employees engaged in such work less than the minimum wage specified in section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended (29 U.S.C. 201, et seq.).

(b) Federal service contracts in excess of $2,500 shall contain the provisions required by the Act with respect to such matters as minimum wages, including fringe benefits, to be paid the various classes of service employees engaged in the performance of the contract, safe and sanitary working conditions, and notification to employees of the compensation required under the Act.

§ 1-12.902 Applicability.

Subject to statutory exemptions (see § 1-12.902-3) or administrative exemptions by the Secretary of Labor under section 4(b) of the Act (see § 1-12.902-4):

(a) The requirement set forth in § 1-12.901(a) applies to any contract with the Federal Government, the principal purpose of which is to furnish services through the use of service employees (as defined in § 1-12.902-2).

(b) The requirement set forth in § 1-12.901(b) applies to every contract (and any bid specification therefor) entered into by the Federal Government in excess of $2,500, whether negotiated or advertised, the principal purpose of which is to furnish services through the use of service employees (as defined in § 1-12.902-2).

§ 1-12.902-1 Geographical coverage of the Act.

(a) With respect to service contracts in excess of $2,500 (see § 1-12.902(b)), the Act applies only to services furnished in the United States. In addition, the Department of Labor has by regulation (see 29 CFR 4.6(c), 4.7) exempted any application of the Act outside the United States with respect to service contracts not in excess of $2,500.

(b) When used in a geographical sense, the term "United States" is defined in the Act to include any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Outer Continental Shelf lands as defined in the Outer Continental Shelf Lands Act, American Samoa, Guam, Wake Island, Eniwetok Atoll, Kwajalein Atoll, Johnston Island, but shall not include any other territory under the jurisdiction of the United States or any United States base or possession within a foreign country.

§ 1-12.902-2 Service employee.

As defined in the Act, the term "service employee" means guards, watchmen, and any person engaged in a recognized trade or craft, or other skilled mechanical craft, or in unskilled, semiskilled, or skilled manual labor occupations; and any other employee including a foreman or supervisor in a position having trade, craft, or laboring experience as the paramount requirement; and shall include all such persons regardless of any contractual relationship that may be alleged to exist between a contractor or subcontractor and such persons.

§ 1-12.902-3 Statutory exemptions.

(a) Each of the following transactions is exempted from the Service Contract Act of 1965 by the terms thereof:

(1) *Contracts for construction or repair.* Any contract of the United States for construction, alteration, and/or repair, including painting and decorating of public buildings or public works.

(2) *Contracts under the Walsh-Healey Public Contracts Act.* Any work required to be done in accordance with the provisions of the Walsh-Healey Public Contracts Act.

(3) *Contracts for the carriage of freight or personnel.* Any contract for the carriage of freight or personnel by vessel, airplane, bus, truck, express, railway line or oil or gas pipeline where published tariff rates are in effect.

(4) *Contracts for communication services.* Any contract for the furnishing of services by radio, telephone, telegraph, or cable companies, subject to the Communications Act of 1934.

(5) *Contracts for public utility services.* Any contract for public utility services, including electric light and power, water, steam, and gas.

(6) *Employment contracts.* Any employment contract providing for direct services to a Federal agency by an individual or individuals.

(7) *Operation of postal contract stations.* The Act exempts contracts with the Post Office Department, the principal purpose of which is the operation of postal contract stations.

(b) Contracting officers are cautioned to refer questions concerning the applicability of the statutory exemptions to the Administrator, Wage and Hour and Public Contracts Division of the Department of Labor for resolution.

§ 1–12.902–4 Administrative limitations, variations, tolerances, and exemptions.

The Secretary of Labor may, under the Act, provide such reasonable limitations and may make such rules and regulations allowing reasonable variations, tolerances, and exemptions to and from any or all provisions of the Act as he may find necessary and proper in the public interest or to avoid serious impairment of the conduct of Government business.

§ 1–12.903 Department of Labor regulations.

Pursuant to the Service Contract Act of 1965, the Department of Labor has issued Part 4, Title 29, Subtitle A, Code of Federal Regulations, providing for the administration and enforcement of the Act (30 F.R. 15585, Dec. 17, 1965). The regulations include coverage, among other matters, of the following aspects relating to the requirements of the Act:

(a) Determinations as to the minimum monetary wages to be paid the various classes of service employees in the performance of the contract or any subcontract thereunder in accordance with the prevailing rates for such employees in the locality.

(b) The specification of the fringe benefits to be furnished the various classes of service employees engaged in the performance of the contract or any subcontract thereunder determined to be prevailing for such employees in the locality.

(c) Clauses for inclusion in contracts and subcontracts subject to the Act.

§ 1–12.904 Contract clauses.

§ 1–12.904–1 Clause for Federal service contracts in excess of $2,500.

The Act provides for inclusion of an appropriate clause in every contract (and any bid specification therefor) entered into by Federal agencies in excess of $2,500 the principal purpose of which is to furnish services in the United States through the use of service employees, except contracts identified in section 7 of the Act (see § 1–12.902–3) or those exempted by the Secretary of Labor under section 4(b) of the Act (see § 1–12.902–4). Accordingly, as prescribed by the Secretary of Labor, every invitation for bids, request for proposals, or other form of solicitation shall provide for inclusion of, and every contract shall contain, the following clause:

SERVICE CONTRACT ACT OF 1965

This contract, to the extent that it is of the character to which the Service Contract Act of 1965 (P.L. 89–286) applies, is subject to the following provisions and to all other applicable provisions of the Act and the regulations of the Secretary of Labor thereunder (29 CFR Part 4).

(a) *Compensation.* Each service employee employed in the performance of this contract by the Contractor or any subcontractor shall be paid the minimum monetary wage and shall be furnished fringe benefits in accordance with the wages and fringe benefits determined by the Secretary of Labor or his authorized representative, as specified in any attachment to this contract. If there is such an attachment, any class of service employee which is not listed therein but which is to be employed under this contract, shall be classified or reclassified and paid wages conformably to the determination of the Secretary of Labor as specified in such attachment, by agreement between the interested parties, and the Contracting Officer shall report the action to the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor. If the interested parties do not agree on a classification or reclassification which is, in fact, conformable, the Contracting Officer shall submit the question, together with his recommendation, to the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor or his authorized representative for final determination. In addition, non-service employees shall be paid not less than the minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended ($1.25 per hour as of January 20, 1966).

(b) *Obligation to furnish fringe benefits.* The Contractor or subcontractor may discharge the obligation to furnish fringe benefits specified in the attachment by furnishing any equivalent combinations of fringe benefits, or by making equivalent or differential payments in cash, pursuant to applicable rules of the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor.

(c) *Minimum wage.* In the absence of a minimum wage attachment for this contract, neither the Contractor nor any subcontractor under this contract shall pay any of his employees performing work under the contract (regardless of whether they are service employees) less than the minimum wage specified by section 6(a)(1) of the Fair Labor Standards Act of 1938 ($1.25 per hour as of January 20, 1966). Nothing in this provision shall relieve the Contractor or any subcontractor of any other obligation under law or contract for the payment of a higher wage to any employee.

(d) *Notification to employees.* The Contractor shall notify each service employee commencing work on this contract of the minimum monetary wage and any fringe benefits required to be paid pursuant to this contract, or shall post a notice of such wages and benefits in a prominent and accessible place at the worksite, using such poster as may be provided by the Department of Labor.

(e) *Safe and sanitary working conditions.* The Contractor shall not permit any part of the services called for by this contract to be performed in buildings or surroundings or under working conditions provided by or under the control or supervision of the Contractor which are unsanitary or hazardous or dangerous to the health or safety of service employees engaged to furnish these services.

(f) *Records.* Each Contractor or subcontractor performing work subject to the Act shall make and maintain for three years from the completion of the work the records identified below for each service employee performing work under the contract, and shall make them available for inspection and transcription by authorized representatives of the Administrator of the Wage and Hour and Public Contracts Divisions of the U.S. Department of Labor.

(1) His name and address.

(2) His work classification or classifications, rate or rates of monetary wages and fringe benefits provided, rate or rates of fringe benefit payments in lieu thereof, and total daily and weekly compensation.

(3) His daily and weekly hours so worked.

(4) Any deductions, rebates, or refunds from his total daily or weekly compensation.

(g) *Withholding of payments and termination of contract.* The Contracting Officer may withhold or cause to be withheld from the Government Prime Contractor under this or any other Government contract such sums as are necessary to pay underpaid employees. Additionally, any failure to comply with the requirements of the paragraphs of this clause relating to the Service Contract Act of 1965 may be grounds for termination of his right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the Contractor with any additional cost.

(h) *Subcontractors.* The Contractor agrees to insert these paragraphs relating to the Service Contract Act of 1965 in all subcontracts. The term "Contractor" as used in these paragraphs in any subcontract, shall be deemed to refer to the subcontractor, except in the term "Government Prime Contractor."

(i) *Service employee.* As used in these paragraphs relating to the Service Contract Act of 1965, the term "service employee" means guards, watchmen, and any person engaged in a recognized trade or craft, or other skilled mechanical craft, or in unskilled, semi-skilled, or skilled manual labor occupations; and any other employee including a foreman or supervisor in a position having trade, craft, or laboring experience as the paramount requirement; and shall include all such persons regardless of any contractual relationship that may be alleged to exist between a Contractor or subcontractor and such persons.

§ 1–12.904–2 Clause for Federal service contracts not exceeding $2,500.

Federal agencies are required to include the following clause in every contract not in excess of $2,500 which has as its principal purpose the furnishing of services through the use of service employees, except (a) those transactions identified in § 1–12.902–3; (b) a contract for services to be furnished outside the United States (see § 1–12.902–1 for definition of the term "United States"); or (c) a contract exempted by the Secretary of Labor under section 4(b) of the Act (see § 1–12.902–4):

SERVICE CONTRACT ACT OF 1965

The Contractor and any subcontractor hereunder shall pay all of their employees engaged in performing work on the contract not less than the minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938, as amended ($1.25 per hour as of January 20, 1966), and are subject to the regulations of the Secretary of Labor thereunder (29 CFR Part 4).

§ 1–12.905 Administration and enforcement.

§ 1–12.905–1 General.

The contracting officer shall ascertain that the contractor is fully informed of the labor standards provisions of the contract relating to the Act and of his responsibilities thereunder. Unless it is clear that the contractor is fully informed, the contractor shall be so informed by conference, letter, or other

suitable method, as soon as possible after award of the contract.

§ 1–12.905–2 Register of wage determinations and fringe benefits.

The Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor will determine the minimum monetary wages and specify the fringe benefits to be furnished the various classes of service employees for the several localities in which they are to be employed under contracts subject to such determinations under the Act. These wage determinations and fringe benefit statements will be communicated to procurement agencies by the Department of Labor in an orderly series designed to permit contracting officers to keep a current register of such minimum wages and fringe benefits. Such a register will be available for public inspection during business hours at the national and regional offices of the Wage and Hour and Public Contracts Divisions of the Department of Labor.

§ 1–12.905–3 Notice of intention to make a service contract.

Not less than thirty days prior to any invitation for bids or the commencement of negotiations for any contract exceeding $2,500 which may be subject to the Act, or as soon as practicable where exceptional circumstances prevent such notice within thirty days, the contracting agency will file with the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor its notice of intention to make a service contract specifying:

(a) A description of the service to be performed.

(b) The place of performance, if known, and the fact that the place of performance is unknown if that is the case.

(c) The date bids will be invited or negotiations commenced.

(d) Each class of service employees likely to be employed in the performance of the contract.

(e) The minimum wages and fringe benefits to be included in the contract taken from the currently effective wage determinations and fringe benefit statements included in the register of determinations provided in § 1–12.905–2.

(f) The numbers of persons to be employed and the minimum rates and fringe benefits to be paid or furnished for each class of service employees listed under § 1–12.905–3(d) but for whom no minimum wages have been found pursuant to § 1–12.905–3(e), as best the procurement agency is able to discover or estimate such data from the current contract providing such service or otherwise.

§ 1–12.905–4 Contract minimum wage determinations and fringe benefit specifications.

(a) The invitation for bids actually issued and the negotiations actually commenced, as well as any contract agreed upon, in excess of $2,500, shall contain an attachment setting forth the minimum wages and fringe benefits specified in § 1–12.905–3(e) as supplemented or revised by:

(1) Any responsive communication from the Administrator of the Wage and Hour and Public Contracts Division of the Department of Labor; or

(2) Any revision of the register of minimum wages and fringe benefits pursuant to § 1–12.905–2;

Provided, That any such communication under (1) or revision under (2) is received by the contracting agency prior to the issuance of the invitation for bids or commencement of negotiations.

(b) In view of the need for time to effectuate the procedure described in § 1–12.905–2, the Secretary of Labor has established an interim arrangement with respect to the requirement under (a) of this § 1–12.905–4.

(1) The Administrator of the Wage and Hour and Public Contracts Divisions, Department of Labor, as authorized by the Secretary of Labor, has made the following finding with respect to service contracts in excess of $2,500 to be entered into by Federal agencies for which minimum monetary wages and fringe benefits have not been determined prior to the issuance of the invitation for bids or commencement of negotiations:

FINDING PURSUANT TO THE SERVICE CONTRACT ACT OF 1965

To avoid serious impairment of the conduct of Government business, it is hereby found necessary and proper to provide exemption (a) from the determined wage and fringe benefits section of the Act (2(a) (1) and (2)), but not the minimum wage specified under section 6(a)(1) of the Fair Labor Standards Act of 1938 (2(b) of this Act), of all contracts for which no such wage has been determined for any class of service employees to be employed thereunder and (b) from the fringe benefits section (2(a)(2)) of all contracts and of all classes of service employees employed thereunder for which such benefits have not been determined. Accordingly, such exemptions are hereby provided.

(2) The exemptions covered by the finding do not extend to undetermined wages in contracts for which one or more, but not all, classes of service employees are the subject of an applicable determination. See § 1–12.905–5.

§ 1–12.905–5 Additional classifications.

As provided in paragraph (a) of the contract clause set forth in § 1–12.904–1, where there has been a wage determination for one or more classes of service employees, any class of service employees for which a wage determination has not been issued and which is to be employed under the contract, shall be classified or reclassified and paid wages conformably to such wage determination by agreement between the interested parties, and the action taken shall be reported to the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor by the contracting officer. If the interested parties do not agree on a classification or reclassification which is, in fact, conformable, the contracting officer shall submit the question, together with his recommendation, to the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor or his authorized representative for final determination.

§ 1–12.905–6 Notice of award.

Whenever a Federal agency awards a contract in excess of $2,500 subject to the Act, it is required to furnish the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor, on the form used pursuant to 41 CFR 50–201.1201, the information required by such form.

§ 1–12.905–7 Withholding of contract payments and contract termination.

(a) *Withholding.* (1) As provided by the Act, any violation of the contract stipulations required under paragraphs (a) and (c) of the contract clause set forth in § 1–12.904–1 or under the contract clause set forth in § 1–12.904–2 renders the party responsible therefor liable for a sum equal to the amount of any deductions, rebates, refunds, or underpayment of compensation due to any employee engaged in the performance of such contract. So much of the accrued payment due on the contract or any other contract between the Government prime contractor and the Federal Government may be withheld as is necessary to pay such employees. Such withheld sums shall be held in a deposit fund. On order of the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor, any compensation which the head of a Federal agency or the Administrator of the Wage and Hour and Public Contracts Divisions has found to be due pursuant to the Act shall be paid directly from any accrued payments withheld under the Act.

(2) If the accrued payments withheld are insufficient to reimburse all underpaid service employees, the Government may bring an action against the contractor, subcontractor, or any contract sureties to recover the remaining amount of underpayments. Any sums thus recovered shall be held in the deposit fund and shall be paid, or order of the Secretary of Labor, directly to such underpaid employees. Instances of insufficient funds withheld shall be reported to: the General Accounting Office for possible set-off as may be appropriate; to the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor for any of his purposes; and to the Department of Justice for any other necessary action.

(b) *Termination.* In addition, as provided by the Act, any failure to comply with the requirements of any of the provisions of the contract clauses set forth under § 1–12.904 may be grounds for termination, by written notice, of the contractor's right to proceed with the contract work. In such event, the Government may enter into other contracts or arrangements for completion of the work, charging the contractor with any additional cost.

§ 1–12.905–8 Cooperation with the Department of Labor.

The agency concerned shall cooperate with representatives of the Department of Labor in the examination of records, interviews with service employees, and all other aspects of investigations undertaken by the Department

of Labor. When requested, agencies shall furnish to the Administrator of the Wage and Hour and Public Contracts Divisions of the Department of Labor any available information with respect to contractors, subcontractors, their contracts and the nature of the contract services. Violations apparent to the contracting agency and complaints received shall be promptly referred to the Department of Labor. In no event, however, shall complaints by employees be disclosed to the employer.

§ 1–12.905–9 Role of the Comptroller General.

The Act provides that the Comptroller General shall distribute a list to all Federal agencies giving the names of persons or firms which have been found to be in violation of the Act. Unless the Secretary of Labor otherwise recommends, no Government contract shall be awarded to any violator so listed or to any firm, corporation, partnership, or association in which such violator has a substantial interest until three years have elapsed from the date of publication of the list containing the name of the violator.

Effective date. Under the regulations of the Secretary of Labor, the procedure outlined in § 1–12.905–3 of this regulation, requiring at least thirty days notice in advance of invitations or start of negotiation, is effective as of December 15, 1965, subject to the relaxing qualification, set forth in 29 CFR 4.4, published at 30 F.R. 15585 on December 17, 1965, that where circumstances prevent submission of the notice within that time, it shall be submitted as soon as practicable. All other provisions of this regulation are effective as to all contracts entered into pursuant to negotiations concluded or invitations for bids issued on or after January 20, 1966.

Dated: December 30, 1965.

J. E. MOODY,
Acting Administrator of General Services.

[F.R. Doc. 66–110; Filed, Jan. 3, 1966; 10:24 a.m.]

Title 42—PUBLIC HEALTH

Chapter I—Public Health Service, Department of Health, Education, and Welfare

SUBCHAPTER F—QUARANTINE INSPECTION, LICENSING

PART 73—BIOLOGICAL PRODUCTS

Aditional Standards; Immune Serum Globulin (Human)

On May 19, 1965, a notice of rule making was published in the FEDERAL REGISTER (30 F.R. 6795) proposing to amend Part 73 of the Public Health Service Regulations to include specific standards of safety, purity, and potency for Immune Serum Globulin (Human).

Views and arguments respecting the proposed standards were invited to be submitted within 60 days after publication of the notice in the FEDERAL REGISTER, and notice was given of intention to make any amendments that were adopted effective 60 days after the date of their publication in the FEDERAL REGISTER.

After consideration of all comments submitted, the following amendment to Part 73 of the Public Health Service Regulations is hereby adopted to become effective 60 days after the date of publication in the FEDERAL REGISTER.

1. Amend Part 73 of the Public Health Service Regulations by adding the following to the table of contents after "73.354 General requirements":

ADDITIONAL STANDARDS; IMMUNE SERUM GLOBULIN (HUMAN)

Sec.
73.355 The product.
73.356 Manufacture of Immune Serum Globulin (Human).
73.357 The final product.
73.358 Potency.
73.359 General requirements.

2. Amend Part 73 of the Public Health Service Regulations by adding the following after § 73.354:

ADDITIONAL STANDARDS; IMMUNE SERUM GLOBULIN (HUMAN)

§ 73.355 The product.

(a) *Proper name and definition.* The proper name of this product shall be Immune Serum Globulin (Human). The product is defined as a sterile solution containing antibodies derived from human blood.

(b) *Source material.* The source of Immune Serum Globulin (Human) shall be blood, plasma or serum from human donors determined at the time of donation to have been free of causative agents of diseases that are not destroyed or removed by the processing methods, as determined by the donor's history and from such physical examination and clinical tests as appear necessary for each donor at the time the blood was obtained. The source blood, plasma or serum shall not contain a preservative and shall be stored in a manner that will prevent contamination by microorganisms, pyrogens or other impurities.

(c) *Additives in source material.* Source blood, plasma or serum shall contain no additives other than citrate or acid citrate dextrose anticoagulant solution, unless it is shown that the processing method yields a product free of the additive to such an extent that the safety, purity and potency of the product will not be affected adversely.

§ 73.356 Manufacture of Immune Serum Globulin (Human).

(a) *Processing method.* The processing method shall be one that has been shown: (1) To be capable of concentrating tenfold from source material at least two different antibodies; (2) not to affect the integrity of the globulins; (3) to consistently yield a product which is safe for subcutaneous and intramuscular injection and (4) not to transmit viral hepatitis.

(b) *Microbial contamination.* Low temperatures or aseptic techniques shall be used to minimize contamination by microorganisms. Preservatives to inhibit growth of microorganisms shall not be used during processing.

(c) *Bulk storage.* The globulin fraction may be stored in bulk prior to further processing provided it is stored in clearly identified hermetically closed vessels. Globulin as either a liquid concentrate or a solid and containing alcohol or more than 5 percent moisture shall be stored at a temperature of −10° C. or lower. Globulin as a solid free from alcohol and containing less than 5 percent moisture, shall be stored at a temperature of 0° C. or lower.

(d) *Determination of the lot.* Each lot of Immune Serum Globulin (Human) shall represent a pooling of approximately equal amounts of material from not less than 1,000 donors.

(e) *Sterilization and heating.* The final product shall be sterilized promptly after solution. At no time during processing shall the product be exposed to temperatures above 45° C. and after sterilization the product shall not be exposed to temperatures above 30° to 32° C. for more than 72 hours.

§ 73.357 The final product.

(a) *Final solution.* The final product shall be a 16.5±1.5 percent solution of globulin containing 0.3 molar glycine and a preservative.

(b) *Protein composition.* At least 90 percent of the globulin shall have an electrophoretic mobility not faster than -2.8×10^{-5} centimeters per volt per second, when measured at a 1 percent protein concentration in sodium diethylbarbiturate buffer at pH 8.6 and 0.1 ionic strength.

§ 73.358 Potency.

(a) *Antibody levels and tests.* Each lot of final product shall contain at least the minimum levels of antibodies for diphtheria, measles, and for at least one type of poliomyelitis. In the event the final bulk solution is stored at a temperature above 5° C. the antibody level tests shall be performed after such storage with a sample of the stored material.

(b) *Minimum levels.* The minimum antibody levels are as follows:

(1) No less than 2 units of diphtheria antitoxin per ml.

(2) A measles neutralizing antibody level of no less than 0.25 times the level of the reference measles serum, except that when recommended for use with Measles Virus Vaccine, Live, Attenuated, the measles antibody level shall be as prescribed in § 73.353.

(3) A poliomyelitis neutralizing antibody level of no less than 1.0 for Type 1, 1.0 for Type 2, and 2.5 for Type 3, times the antibody level of the reference poliomyelitis immune globulin.

(c) *Reference materials.* The following reference materials shall be obtained from the Division of Biologics Standards:

(1) NIH reference measles serum for correlation of measles antibody titers.

(2) NIH reference poliomyelitis immune globulin for correlation of poliomyelitis antibody titers, Types 1, 2, and 3.

§ 73.359 General requirements.

(a) *Heat stability test.* Approximately 2 ml. of completely processed material of each lot shall not show any visible sign of gelation after heating in a 12 x 75 mm. stoppered glass tube at 57° C. for 4 hours.

(b) *Hydrogen ion concentration.* The pH of final container material shall be 6.8±0.4 when measured in a solution diluted to 1 percent protein with 0.15 molar sodium chloride.

(c) *Turbidity.* The product shall be free of turbidity as determined by visual inspection of final containers.

(d) *Date of manufacture.* The date of manufacture is the date of initiating the last valid measles or poliomyelitis antibody test (§ 73.358(b) (2) and (3)) whichever date is earlier.

(e) *Labeling.* In addition to complying with all applicable labeling required in this part, labeling shall indicate that:

(1) There is no prescribed potency for viral hepatitis antibodies.

(2) The product is not recommended for intravenous administration.

(3) The lot is or is not suitable for use with Measles Virus Vaccine, Live, Attenuated.

(4) The lot is or is not recommended for poliomyelitis.

(f) *Samples and protocols.* For each lot of Immune Serum Globulin (Human) the following material shall be submitted to the Director, Division of Biologics Standards, National Institutes of Health, Bethesda, Md., 20014:

(1) A 50 ml. sample of the final product.

(2) All protocols relating to the history of each lot and all results of all tests prescribed in these additional standards.

(Sec. 215, 58 Stat. 690, as amended; 42 U.S.C. 216; interpret or apply sec. 351, 58 Stat. 702; 42 U.S.C. 262)

Dated: December 9, 1965.

[SEAL] WILLIAM H. STEWART, M.D.,
Surgeon General.

Approved: December 23, 1965.

WILBUR J. COHEN,
Acting Secretary.

[F.R. Doc. 66-21; Filed, Jan. 3, 1966; 8:45 a.m.]

Title 45—PUBLIC WELFARE

Chapter VIII—United States Civil Service Commission

PART 801—VOTING RIGHTS PROGRAM

Appendix A

MISSISSIPPI

Appendix A to Part 801 is amended under the heading "Dates, Times, and Places for Filing", by the addition of a new place for filing in De Soto County, Miss., and the closing of the present place for filing in that county. The amendment is set out below:

MISSISSIPPI

County; Place for Filing; Beginning Date.

* * * * *

De Soto; (1) Walls—U.S. Post Office; November 8, 1965, through January 4, 1966; (2) Hernando—U.S. Post Office; January 5, 1966.

(Secs. 7 and 9 of the Voting Rights Act of 1965; P.L. 89-110).

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-94; Filed, Jan. 3, 1966; 8:47 a.m.]

Title 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 13—COMMERCIAL RADIO OPERATORS

Schedule of Application Filing Fees

The Commission having under consideration certain editorial amendments of Part 13 of its rules regarding the schedule of commercial radio operator application filing fees; and

It appearing, that applicants for commercial operator licenses would benefit from the addition of an Appendix to Part 13 of the rules setting forth pertinent extracts from the Commission's schedule of application filing fees which appears in Subpart G of Part I of the rules; and

It further appearing, that § 13.11(a) of the rules should be amended so as to refer interested persons to that Appendix for information regarding the fee schedule; and

It further appearing, that the amendments adopted herein are editorial in nature and not substantive and therefore compliance with the requirements of section 4 of the Administrative Procedure Act is unnecessary.

It is ordered, This 29th day of December 1965, pursuant to delegated authority of § 0.261 of the Commission's rules and to authority contained in sections 4(i), 5(d)(1), and 303(r) of the Communications Act of 1934, as amended, that § 13.11(a) of the rules is amended and an Appendix is added to Part 13 of the rules, in accordance with the Appendix attached hereto, effective January 7, 1966.

(Sec. 4, 48 Stat. 1066, as amended; 47 U.S.C. 154; interpret or apply sec. 303, 48 Stat. 1082, as amended; sec. 5, 66 Stat. 713; 47 U.S.C. 303, 155)

Released: December 29, 1965.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

Part 13 of the rules is amended as follows:

1. Section 13.11(a) is amended to read as follows:

APPLICATIONS

§ 13.11 Procedure.

(a) *General.* Applications shall be governed by applicable rules in force on the date when application is filed (see § 13.28). The application in the prescribed form and including all required subsidiary forms and documents, properly completed and signed, and accompanied by the prescribed fee (see Appendix, Part 13), shall be submitted to the appropriate office as indicated in paragraph (b) of this section. If the application is for renewal of license, it may be filed at any time during the final year of the license term or during a 1-year period of grace after the date of expiration of the license sought to be renewed. During this 1-year period of grace, an expired license is not valid. A renewed license issued upon the basis of an application filed during the grace period will be dated currently and will not be backdated to the date of expiration of the license being renewed. A renewal application shall be accompanied by the license sought to be renewed. If the prescribed service requirements for renewal without examination (see § 13.28) are fulfilled, the renewed license may be issued by mail. If the service record on the reverse side of the license does not fully describe or cover the service desired by the applicant to be considered in connection with license renewal (as might occur in the case of service rendered at U.S. Government stations), the renewal application shall be supported by documentary evidence describing in detail the service performed and showing that the applicant actually performed such service in a satisfactory manner. A separate application must be submitted for each license involved, whether it requests renewal, new license, endorsement, duplicate, or replacement.

* * * * *

2. An Appendix is added to Part 13 to read as follows:

APPENDIX

FILING FEES

(NOTE: The Commission's general fee schedule is set forth in Subpart G, Part I of this Chapter. The text of that portion of the general fee schedule which is pertinent to applications filed for commercial radio operator licenses is reprinted below.)

Section 1.1103 *Payment of fees.*

(a) Each application, filed on or after January 1, 1964, for which a fee is prescribed in this subpart, must be accompanied by a remittance in the full amount of the fee. In no case will an application be accepted for filing or processed prior to payment of the full amount specified. Applications for which no remittance is received, or for which an insufficient amount is received, may be returned to the applicant.

(b) Fee payments accompanying applications received in the Commission's offices in Washington, D.C., or in any of the Commission's field offices, should be in the form of a check or money order payable to the Federal Communications Commission. The Commission will not be responsible for cash sent through the mails. All fees collected will be paid into the U.S. Treasury as miscellaneous receipts in accordance with the

provisions of Title V of the Independent Offices Appropriations Act of 1952 (5 U.S.C. 140).

(c) Receipts will be furnished upon request in the case of payments made in person, but no receipts will be issued for payments sent through the mails.

(d) Except as provided in §§ 1.1104 and 1.1105, all fees will be charged irrespective of the Commission's disposition of the application. Applications returned to applicants for additional information or corrections will not require an additional fee when resubmitted.

Section 1.1104 *Return or refund of fees.*

(a) The full amount of any fee submitted will be returned or refunded, as appropriate, in the following instances:

(1) Where no fee is required for the application filed.

(2) Where the application is filed by an applicant who cannot fulfill a prescribed age requirement.

(3) Where the application is filed for renewal without reexamination of an amateur or commercial radio operator license after the grace period has expired.

(4) Where the applicant is precluded from obtaining a license by the provisions of section 303(l) or 310(*a*) of the Communications Act.

(5) Where circumstances beyond the control of the applicant, arising after the application is filed, would render a grant useless.

(b) Payments in excess of an applicable fee will be refunded only if the overpayment exceeds $2.

Section 1.1117 *Schedule of fees for commercial radio operator examinations and licensing.*

(a) Except as provided in paragraphs (b) and (c) of this section, applications filed for commercial radio operator examinations and licensing shall be accompanied by the fees prescribed below:

Applications for new operator license:	
First-class license, either radiotelephone or radiotelegraph	$5
Second-class license, either radiotelephone or radiotelegraph	4
Third-class permit, either radiotelephone or radiotelegraph	3
Restricted radiotelephone permit	2
Application for renewal of operator license	2
Application for endorsement of operator license	2
Application for duplicate license or for replacement license	2

(b) No fee need accompany an application for a verification card (FCC Form 758-F) or for a verified statement (FCC Form 759).

(c) Whenever an application requests both an operator license and an endorsement the required fee will be the fee prescribed for the license document involved.

[F.R. Doc. 66-24; Filed, Jan. 3, 1966; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 27]

CANNED FIGS

Notice of Proposal To Increase Maximum Brix Limit for Packing Medium "Extra Heavy Sirup"

Notice is given that the J. Garth Co., Post Office Box 814, League City, Tex., 77573, J. R. May Co., Post Office Box 147, Friendswood, Tex., 77546, and the Bama Co., Post Office Box 15213, Houston, Tex., 77020, have jointly filed a petition proposing that the definition and standard of identity for canned figs be amended by changing in § 27.70(c)(3) the maximum Brix limit for the packing medium "extra heavy sirup" from 35° Brix to 55° Brix.

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919, 72 Stat. 948; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (21 CFR 2.90), all interested persons are invited to submit their views in writing, preferably in quintuplicate, regarding this proposal. Such views and comments should be addressed to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Ave. SW., Washington, D.C., 20201, within 60 days following the date of publication of this notice in the FEDERAL REGISTER, and may be accompanied by a memorandum or brief in support thereof.

Dated: December 27, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-17; Filed, Jan. 3, 1966; 8:45 a.m.]

[21 CFR Part 27]

CANNED PRUNE JUICE

Extension of Time for Filing Comments on Proposed Amendment to List Ascorbic Acid (Vitamin C) as Optional Ingredient

In the matter of amending the identity standard for canned prune juice, a water extract of dried prunes (21 CFR 27.60), to list ascorbic acid (vitamin C) as an optional ingredient:

A notice of proposed rulemaking in the above-identified matter was published in the FEDERAL REGISTER of October 13, 1965 (30 F.R. 13012), and granted a period of 60 days for interested persons to file comments. The Commissioner of Food and Drugs has received a request for an extension of time for filing comments. Good reason therefor appearing, the time for filing comments in this matter is extended to January 11, 1966.

This action is taken pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended; 21 U.S.C. 341, 371) and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (21 CFR 2.90).

Dated: December 22, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-18; Filed, Jan. 3, 1966; 8:45 a.m.]

ATOMIC ENERGY COMMISSION

[10 CFR Part 115]

PROCEDURES FOR REVIEW OF CERTAIN NUCLEAR REACTORS EXEMPTED FROM LICENSING REQUIREMENTS

Designation of Applicants

The Atomic Energy Commission has under consideration amendments of its "Procedures for Review of Certain Nuclear Reactors Exempted from Licensing Requirements," Part 115, which would provide for participation in Part 115 proceedings by the appropriate division or operations office of the Commission having programmatic responsibility for reactors subject to Part 115 proceedings. Part 115 sets out the procedures for Commission review of safety considerations involved in the construction and operation of Commission-owned reactors which are not located at Commission installations and which will be operated as part of the power generation facilities of an electric utility system. The procedures parallel those of 10 CFR Part 50 which are applicable to the licensing of privately owned reactors. Under the present regulations in Part 115, the applicant is the prime contractor of the Commission responsible for the construction or operation of the facility. The proposed amendments would revise § 115.3(b) to include, as applicant at the construction authorization stage, in addition to the prime contractor for construction and test operation, (a) the electric utility which will eventually operate the reactor and (b) the operations office or division of the Commission having programmatic responsibility for the contracts to construct and operate the facility. The proposed amendments would specify that at the operating authorization stage, the applicants will be that electric utility and the appropriate Commission operations office or division.

All interested persons who desire to submit written comments or suggestions for consideration in connection with the proposed amendments should send them to the Secretary, U.S. Atomic Energy Commission, Washington, D.C., 20545, within 60 days after publication of this notice in the FEDERAL REGISTER. Comments received after that period will be considered if it is practicable to do so, but assurance of consideration cannot be given except as to comments filed within the period specified.

1. Section 115.2 is amended by revising the preamble to read as follows:

§ 115.2 Scope.

This part applies to any prime contractor of the Commission to the extent that such contractor proposes to construct or operate a nuclear reactor and to the division, operations office, or other designated unit of the Commission which has programmatic responsibility for the contracts to construct and operate the nuclear reactor which:

* * * * *

2. Paragraph (b) of § 115.3 is amended to read as follows:

§ 115.3 Definitions.

* * * * *

(b) "Applicant" means, in proceedings for construction authorizations, the prime contractor for construction, the prime contractor which will operate the reactor for the Commission and the division, operations office or other designated unit of the Commission having programmatic responsibility for the contracts to construct and operate the reactor. In proceedings for operating authorizations, "applicant" means the prime contractor which will operate the reactor for the Commission and the division, operations office or other designated unit of the Commission having programmatic responsibility for the contracts to construct and operate the reactor.

* * * * *

(Sec. 161, 68 Stat. 948; 42 U.S.C. 2201)

Dated at Washington, D.C., this 20th day of December 1965.

For the Atomic Energy Commission.

W. B. MCCOOL,
Secretary.

[F.R. Doc. 66-1; Filed, Jan. 3, 1966; 8:45 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Parts 87, 89, 91, 93]

[Docket No. 16218; FCC 65-1169]

OPERATIONAL FIXED STATIONS AND PETROLEUM RADIO SERVICE

Order Extending the Time for Filing Comments and Reply Comments

1. On December 17, 1965, the National Mobile Radio System (NMRS), an association of radio common carriers in the Domestic Public Land Mobile Radio Service, filed a request for extension of the time for filing comments in this proceeding to March 15, 1966. Timely oppositions were filed by the National Committee for Utilities Radio (NCUR), by the Central Committee on Communication Facilities of the American Petroleum Institute (Central Committee), and by the Special Industrial Radio Service Association. On December 22, 1965, a request for a 30-day extension of time was filed by the National Association of Manufacturers (NAM) Communications Committee. The NAM Communications Committee request has not been opposed.

2. NMRS requests the additional time in order to develop and present to the Commission evidence of alleged abuses of cooperative arrangments in the private land mobile radio field which allegedly "threaten to undermine the entire radio common carrier industry." NMRS discusses at length the cooperative usage of private base and mobile radio stations and its alleged effect upon the mobile radio common carriers and concludes that "there has emerged in the land mobile services a new form of communications service which has all the earmarks of the common carrier with none of its responsibilities." It argues that the Commission "should have the full story of operations of multiple users" in the land mobile field before it adopts rules which "would encourage a similar development in the area of private microwave systems" and "also confirm and encourage the continued proliferation of such multiple users in the land mobile services." NMRS finally states that it can develop facts which would aid the Commission in formulating new standards to govern the operation of "multiple" and "cooperative users."

3. NCUR argues that the NMRS request is not merely for extension of time but "a request to enlarge the scope of the proceeding to include an investigation of alleged problems members of NMRS apparently are having in the Land Mobile field," claims that this is not the proper proceeding for such an investigation, and suggests that the more proper course of action would be for NMRS to petition for a rule making proceeding dealing with the mobile service problem. It urges that the NMRS request be denied since "it contains no sound basis" for extending the time.

4. Central Committee argues that the proceedings in Docket 16218 have nothing to do with the sharing of private mobile sytems, that NMRS, which represents land mobile common carriers, has no interest in the point-to-point microwave field and that this proceeding is a "grossly inappropriate vehicle" for resolving whatever problems may exist in the sharing of private land mobile systems. Central Committee also states that the relief it has sought in its petition, RM-533, involved in this proceeding, has been "vitally needed" since 1959, and argues that enlarging the proceeding to encompass a solution of whatever problems there may be in the cooperative usage of radio in the mobile field would delay conclusion of this proceeding interminably, and concludes that it would be improper for the Commission to grant the NMRS request of extension of time on the basis it is sought.

5. The NAM Communications Committee states that it has a "vital" interest in this proceeding and wishes to submit comments but that it has concentrated its efforts in another matter (the litigation concerning A.T. & T.'s TELPAK before the Court of Appeals for the District of Columbia Circuit) and that it has not had sufficient time to gather material for its comments. For this reason, it requests that the time for filing comments be extended to January 28, 1966, and for reply comments to February 27, 1966.

6. SIRSA also opposed the NMRS request on grounds similar to those urged by NCUR and Central Committee but stated that it does not oppose the request of NAM Communications Committee.

7. The notice of proposed rule making in this proceeding was released on October 21, 1965. Longer than usual time was given for filing comments and for reply comments, December 29, 1965, and January 28, 1966, respectively. Without commenting on the merits and relevancy of the material NMRS proposes to present, we note that it makes no statement as to why its comments could not be prepared and filed during the past 2 months, nor does it show why it needs 2½ more months to prepare them. Accordingly, its request for extending the time for filing comments to March 15, 1966, must be denied. The NAM Communications Committee has not fully justified the need for 30 additional days to prepare its comments but in view of its involvement in another proceeding and other considerations associated with the current holiday season, an additional period of 30 days is reasonable.

8. *Accordingly, it is ordered* This 28th day of December 1965 that the time for filing comments in the above-entitled proceeding is extended to January 28, 1966, and that the time for filing reply comments is extended to February 28, 1966. *It is further ordered* That the request for extension of time filed by the NAM Communications Committee is granted and the request filed by NMRS is granted to the extent indicated herein.

Released: December 29, 1965.

FEDERAL COMMUNICATIONS COMMISSION,[1]

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-25; Filed, Jan. 3, 1966; 8:46 a.m.]

[1] Chairman Henry absent.

Notices

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

GRAND JUNCTION LIVESTOCK CENTER, COLO., ET AL.

Posted Stockyards

Pursuant to the authority delegated under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.), on the respective dates specified below it was ascertained that the livestock markets named below were stockyards within the definition of that term contained in section 302 of the Act, as amended (7 U.S.C. 202), and notice was given to the owners and to the public by posting notice at the stockyards as required by said section 302.

Name, location of stockyard and date of posting

COLORADO

Grand Junction Livestock Center, Grand Junction, Nov. 4, 1965.

INDIANA

Henry County Livestock Auction, New Castle, Nov. 15, 1965.
Southern Indiana Livestock Exchange, Inc., Scottsburg, Nov. 19, 1965.

OKLAHOMA

Tulsa Cow Palace, Inc., Tulsa, Dec. 7, 1965.

UTAH

Tri State Livestock Auction, Inc., St. George, Sept. 14, 1965.

Done at Washington, D.C., this 22d day of December 1965.

K. A. POTTER,
Acting Chief, Rates and Registrations Branch, Packers and Stockyards Division, Consumer and Marketing Service.

[F.R. Doc. 66-38; Filed, Jan. 3, 1966; 8:46 a.m.]

Office of the Secretary

MINNESOTA

Designation and Extension of Areas for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of Minnesota natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

MINNESOTA

Lincoln.	Renville.
Martin.	Watonwan.

It has also been determined that in the hereinafter-named counties in the State of Minnesota the above-mentioned natural disasters have caused a continuing need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

Minnesota	*Present designation*
Big Stone	29 F.R. 12654
Cass	29 F.R. 15876
Chippewa	29 F.R. 13538
Crow Wing	30 F.R. 4726
Kandiyohi	29 F.R. 12654
Koochiching	30 F.R. 2287
Lake of the Woods	29 F.R. 13538
Marshall	29 F.R. 14648
Meeker	29 F.R. 13781
Pennington	29 F.R. 14648
Polk	29 F.R. 14897
Red Lake	29 F.R. 14648
Roseau	29 F.R. 14648
Swift	29 F.R. 12654

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1966, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 28th day of December 1965.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 66-7; Filed, Jan. 3, 1966; 8:45 a.m.]

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

[Depredation Order]

DEPREDATING GOLDEN EAGLES

Order Permitting Taking to Seasonally Protect Domestic Livestock in Certain New Mexico Counties

Pursuant to authority in section 2 of the Act of June 8, 1940 (54 Stat. 250), as amended, and in accordance with regulations under Part 11, Title 50, Code of Federal Regulations, the Secretary of the Interior has authorized the taking of golden eagles without a permit to seasonally protect domesticated livestock during the period from January 1, 1966, through June 15, 1966, in New Mexico, subject to the following conditions:

1. Golden eagles may be taken without a permit only for the protection of domesticated livestock and only by livestock owners and their agents.

2. Golden eagles may be taken by any suitable means or methods except by the use of poison or from aircraft.

3. Golden eagles or any parts thereof taken pursuant to this authorization may not be possessed, purchased, sold, traded, bartered, or offered for sale, trade, or barter.

4. Taking without a permit is authorized only in the following named counties:

Eddy.	Lincoln.
Guadalupe.	Sierra.
Torrance.	Valencia.
Grant.	De Baca.
Catron.	Bernalillo.
Lea.	Otero.
Chaves.	Socorro.
San Miguel.	McKinley.

5. Any person taking golden eagles pursuant to this authorization must at all reasonable times, including during actual operations, permit any Federal or State game law enforcement officer free and unrestricted access over the premises on which such operations have been or are being conducted; and shall furnish promptly to such officer whatever information he may require concerning such operations.

ABRAM V. TUNISON,
Acting Director, Bureau of Sport Fisheries and Wildlife.

DECEMBER 29, 1965.

[F.R. Doc. 66-42; Filed, Jan. 3, 1966; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Bureau of the Census

DETERMINATION OF THE DIRECTOR REGARDING VOTING RIGHTS

In accordance with section 4(b)(2) of the Voting Rights Act of 1965 (Public Law 89-110), and the determination of the Attorney General made pursuant to section 4(b)(1) of that Act, published in the August 7, 1965, issue of the FEDERAL REGISTER (30 F.R. 9897), I have determined that in each of the following political subdivisions considered as a separate unit less than 50 per centum of the persons of voting age residing therein voted in the presidential election of November 1964:

Martin County, N.C.
Washington County, N.C.

This determination supplements my determinations published in the FEDERAL REGISTER of August 7, 1965 (30 F.R. 9897), and of November 19, 1965 (30 F.R. 14505).

Current studies of other political subdivisions will be completed as soon as the relevant data are obtained and in accordance with the Voting Rights Act of 1965. I will make additional determinations for such political subdivisions in which less than 50 per centum of the persons of voting age residing therein were registered on November 1, 1964, or in which less than 50 per centum of such persons voted in the presidential election of November 1964.

A. ROSS ECKLER,
Director, Bureau of the Census.

[F.R. Doc. 66-109; Filed, Jan. 3, 1966; 10:15 a.m.]

National Bureau of Standards

NBS RADIO STATIONS

Standard Frequency and Time Broadcasts; Correction

On page 14116 of the FEDERAL REGISTER of Tuesday, November 9, 1965, Vol. 30, No. 217, the value of the fractional offset in carrier frequencies for broadcasts during 1966 by NBS radio stations WWV in Greenbelt, Md., WWVH in Maui, Hawaii, and WWVL in Fort Collins, Colo., was inadvertently printed as 300 parts in 10^{10} instead of -300 parts in 10^{10}. The first sentence of the notice should read: "The carrier frequencies of broadcasts by National Bureau of Standards radio station WWV in Greenbelt, Md., WWVH in Maui, Hawaii, and WWVL in Fort Collins, Colo., will be offset during 1966 by -300 parts in 10^{10} from their nominal values."

A. V. ASTIN,
Director.

[F.R. Doc. 66-22; Filed, Jan. 3, 1966; 8:46 a.m.]

NBS RADIO STATIONS

Standard Frequency and Time Broadcasts

In accordance with National Bureau of Standards policy of giving monthly notices regarding changes of phases in seconds pulses, notice is hereby given that there will be no change in the phase of seconds pulses emitted from radio station WWVB, Fort Collins, Colo., on February 1, 1966.

Notice is also hereby given that there will be no change in the phase of time pulses emitted from radio station WWV, Greenbelt, Md., and WWVH, Maui, Hawaii, on February 1, 1966. These pulses at present occur at intervals which are longer than one second by 300 parts in 10^{10}. This is due to the offset maintained in frequency, as coordinated by the Bureau International de l'Heure (BIH).

A. V. ASTIN,
Director.

[F.R. Doc. 66-23; Filed, Jan. 3, 1966; 8:46 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

GEIGY CHEMICAL CORP.

Notice of Filing of Petition for Pesticide Chemical Simazine

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a (d)(1)), notice is given that a petition (PP 5F0447) has been filed by the Geigy Chemical Corp., Post Office Box 430, Yonkers, N.Y., 10702, proposing the establishment of a tolerance for residues of the herbicide simazine (2-chloro-4,6-bis(ethylamino)-*s*-triazine) in or on alfalfa, Bermudagrass, and grass at 30 parts per million.

The analytical method proposed in the petition for determining residues of simazine is that of conversion of simazine to its hydroxy analog and spectrophotometric measurement of the latter.

Dated: December 23, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-19; Filed, Jan. 3, 1966; 8:45 a.m.]

STERWIN CHEMICALS, INC.

Notice of Filing of Petition Regarding Pesticide Chemical 2,3,5,6-Tetrachloronitrobenzene

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 408(d)(1), 68 Stat. 512; 21 U.S.C. 346a (d)(1)), notice is given that a petition (PP 1F0265) has been filed by Sterwin Chemicals, Inc., 90 Park Avenue, New York, N.Y., 10016, proposing the establishment of a tolerance for residues of the plant regulator 2,3,5,6-tetrachloronitrobenzene in or on potatoes at 25 parts per million from postharvest application.

The analytical methods proposed in the petition for determining residues of the said chemical are "A Polarographic Method for the Estimation of Tetrachloronitrobenzene Residues on Potatoes," by J. G. Webster and J. A. Dawson, Analyst, Vol. 77, 1952, pages 203-205, and a modified polarographic method developed by the petitioner.

Dated: December 23, 1965.

J. K. KIRK,
Assistant Commissioner for Operations.

[F.R. Doc. 66-20; Filed, Jan. 3, 1966; 8:45 a.m.]

CIVIL SERVICE COMMISSION

BIOLOGISTS, ET AL.

Notice of Manpower Shortage for Certain Positions

Under the provisions of section 7(b) of the Administrative Expenses Act of 1946, as amended, the Civil Service Commission has found, effective December 14, 1965, that there is a nationwide manpower shortage for the following positions:

Biologist, GS-401-11/15.
Microbiologist, GS-403-11/15.
Physiologist, GS-413-11/15.
Entomologist, GS-414-11/15.
Plant Pathologist, GS-434-11/15.
Plant Physiologist, GS-435-11/15.
Geneticist, GS-440-11/15.
Soil Scientist, GS-470-11/15.

Comparable positions not subject to the Classification Act also are covered. Appointees to these positions may be paid for the expenses of travel and transportation to their first duty station.

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 66-29; Filed, Jan. 3, 1966; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Supp. 2]

FM WORKING ARRANGEMENT

Allocation of Broadcast Stations

MAY 6, 1965.

Pursuant to exchange of correspondence between the Department of Transport of Canada and the Federal Communications Commission, Table A of the FM Working Arrangement has been amended as follows:

City	Channel No.	
	Delete	Add
Chilliwack, British Columbia	270A	271A
Courtenay, British Columbia	285C	268C
Hope, British Columbia	231A*	232A
Penticton, British Columbia	280C	246C
Port Alberni, British Columbia	270A	285A
Princeton, British Columbia	272B	261B
Vernon, British Columbia	247B	288C
Steinbach, Manitoba	282C	262C
Winnipeg, Manitoba	292C	-------
Fredericton, New Brunswick	292C	277C
Moncton, New Brunswick	240C	239C
Newcastle, New Brunswick	238C*	248B
Halifax, Nova Scotia	293C	289C
Springhill, Nova Scotia	290C	293C
Sydney, Nova Scotia	275C	274C
Yarmouth, Nova Scotia	239C	243C
Barrie, Ontario	233A*	235C [1]
Kenora, Ontario	269C	270C
Kirkland Lake, Ontario	229C	256C
London-St. Thomas, Ontario	263B	-------
New Liskeard, Ontario	225C	237C
Ottawa-Hull, Ontario	269C [1]	269B
Parry Sound, Ontario	236B	232B
Pembroke, Ontario	297B	285B
Sudbury, Ontario	223C	224C
Tillsonburg, Ontario	-------	263A
Ottawa-Hull, Ontario	225C [1]	225A
Ottawa-Hull, Ontario	237A	234C [1]
Pembroke, Ontario	233B	250B
Arvida, Quebec	229C	229B
Matane, Quebec	260C	259C
Montmagny, Quebec	260A	271B
New Carlisle, Quebec	227C	226C
Port Alfred, Quebec	253C	286C
Estevan, Saskatchewan	282C	235C
Maple Creek, Saskatchewan	294C	297C
North Battleford, Saskatchewan	257C	256C
Watrous, Saskatchewan	243C	258C
Weyburn, Saskatchewan	296C	297C

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-26; Filed, Jan. 3, 1966; 8:46 a.m.]

[Supp. 3]

FM WORKING ARRANGEMENT

Allocation of Broadcast Stations

DECEMBER 20, 1965.

Pursuant to exchange of correspondence between the Department of Trans-

port of Canada and the Federal Communications Commission, Table A of the FM Working Arrangement has been amended as follows:

City	Channel No.	
	Delete	Add
Clinton, British Columbia		293A
Mt. Timothy, British Columbia		259C
Salmon Arm, British Columbia		221B
Oshawa, Ontario	228B*	235B
Toronto, Ontario	226A*	
Barrie, Ontario	223A*, 235C1, 288A	226C1*, 266A
Orillia, Ontario	225B*, 266B	262A, 290B
Huntsville, Ontario	290C	221B
Kitchener, Ontario	267B	287C1*
Owen Sound, Ontario	285C1	285B
Sudbury, Ontario	288C	287C
Belleville, Ontario	232B*	227B, 232A
Pembroke, Ontario	227B	267B
Sherbrooke, Quebec	274C1	1274C1*
Woodstock, Ontario	287C1*	267B

1 Limited to 100 kw—1,851 feet or equivalent.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-27; Filed, Jan. 3, 1966; 8:46 a.m.]

[Docket Nos. 16310, 16311; FCC 65M-1657]

WILKESBORO BROADCASTING CO. AND WILKES COUNTY RADIO

Order Continuing Hearing

In re applications of Fletcher R. Smith and Madge P. Smith, doing business as Wilkesboro Broadcasting Co., Wilkesboro, N.C., Docket No. 16310, File No. BP-16466; Paul L. Cashion and J. B. Wilson, Jr., doing business as Wilkes County Radio, Wilkesboro, N.C., Docket No. 16311, File No. BP-16556; for construction permits.

Pursuant to a prehearing conference as of this date: *It is ordered*, This 29th day of December 1965, that there will be a further hearing conference in this matter on January 28, 1966, 9 a.m., in the Commission's offices, Washington, D.C.: *And, it is further ordered*, That the hearing now scheduled for January 17, 1966, be and the same is hereby continued without date.

Released: December 29, 1965.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-28; Filed, Jan. 3, 1966; 8:46 a.m.]

FEDERAL MARITIME COMMISSION

DELTA STEAMSHIP LINES, INC., AND BOOTH LINE

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. Thos. E. Stakem, Senior Vice President, Delta Steamship Lines, Inc., 1625 K Street NW., Washington, D.C.

Agreement 9516, between Delta Steamship Lines, Inc., and Booth Line, provides for the establishment of a transshipment arrangement between the parties for the movement of road construction equipment and supplies from United States Gulf ports to Yurimaguas, Peru with transshipment at Belem, Brazil, in accordance with the terms and conditions set forth in the agreement.

Dated: December 29, 1965.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-30; Filed, Jan. 3, 1966; 8:46 a.m.]

LYKES BROS. STEAMSHIP CO., INC., AND SOUTH AFRICAN MARINE CORP., LTD.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Lykes Bros. Steamship Co., Inc., 1741 De Sales Street NW., Washington, D.C.

Agreement 9518, between Lykes Bros. Steamship Co., Inc., and South African Marine Corp., Ltd., provides for the establishment of a through billing arrangement for the movement of packaged general cargo (principally canned fish) from ports in Portuguese East Africa, the Republic of South Africa and Southwest Africa to ports in Puerto Rico with transshipment via the ports of Houston, Galveston, or New Orleans in accordance with the terms and conditions set forth in the agreement.

Dated: December 29, 1965.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-31; Filed, Jan. 3, 1966; 8:46 a.m.]

NEW YORK CENTRAL SYSTEM ET AL.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 301; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter), and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Port of Boston Marine Terminal Association, 50 Terminal Street, Boston, Mass., 02129.

Agreement No. 8785-1, between the Massachusetts Port Authority, Mystic Terminal Co., Wiggin Terminals, Inc., Port Terminals, Inc., and the New York Central System modifies the basic agreement which establishes the Port of Boston Marine Terminal Association. The purpose of the modification is to extend the subject matter and services covered by the conference agreement to include loading and unloading services.

Dated: December 29, 1965.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-32; Filed, Jan. 3, 1966; 8:46 a.m.]

SPAIN/UNITED STATES ATLANTIC RATE AGREEMENT

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington Office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

T. J. Walsh, Secretary, Spain/United States Atlantic Rate Agreement, c/o Boise-Griffin Steamship Co., Inc., 90 Broad Street, New York, N.Y., 10004.

Agreement 9369-1, between the parties to the Spain/United States Atlantic Rate Agreement, amends the basic agreement to provide for the employment of an issuing agent who shall be responsible for the filing of a common tariff, supplements, changes and reissues thereof, with the Commission on behalf of the parties, pursuant to section 18(b) of the Shipping Act, 1916, in the Spain Westbound trade.

Dated: December 29, 1965.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-33; Filed, Jan. 3, 1966; 8:46 a.m.]

WATERMAN STEAMSHIP CORP. AND LYKES BROS. STEAMSHIP CO.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington Office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreements at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C., 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. J. M. Farrell, Vice President, Waterman Steamship Corp., 1026 17th Street NW., Washington, D.C., 20036.

Agreement 9517, between Waterman Steamship Corp. and Lykes Bros. Steamship Co., provides for the establishment of a transshipping arrangement for the movement of household goods in containers moving under through government bills of lading from Waterman's loading ports in Korea, Okinawa, Hong Kong, Taiwan (Formosa), Republic of the Philippines, South Viet Nam, Thailand, and Cambodia to ports of call of Lykes on the Gulf Coast of the United States with transshipment at a port or ports in Japan, under terms and conditions set forth in the agreement.

Dated: December 29, 1965.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-35; Filed, Jan. 3, 1966; 8:46 a.m.]

[Independent Ocean Freight Forwarder License 119]

TEXAS GULF FORWARDING CO.

Revocation of License

Whereas, James T. Valliere, doing business as Texas Gulf Forwarding Co., 1920 West Alabama, Houston, Tex., has ceased to operate as an independent ocean freight forwarder; and

Whereas, by letter dated December 14, 1965, James T. Valliere, doing business as Texas Gulf Forwarding Co. has requested that Independent Ocean Freight Forwarder License No. 119 be revoked;

Now, therefore, by virtue of authority vested in me by the Federal Maritime Commission as set forth in Manual of Orders, Commission Order No. 201.1 (amended), Supplement 4, section 6.03:

It is ordered, That the Independent Ocean Freight Forwarder License No. 119 of James T. Valliere, doing business as Texas Gulf Forwarding Co. be and is hereby revoked, effective 12:01 a.m., December 30, 1965;

It is further ordered, That a copy of this order be published in the FEDERAL REGISTER and served on the licensee.

JAMES A. KEMPKER,
Acting Director,
Bureau of Domestic Regulation.

[F.R. Doc. 66-34; Filed, Jan. 3, 1966; 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 16692]

TRANSPORTES AEREOS PORTUGUESES, S.A.R.L.

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that hearing in the above-entitled proceeding is assigned to be held on January 14, 1966, at 10 a.m., e.s.t., in Room 925, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the undersigned.

Dated at Washington, D.C., December 23, 1965.

[SEAL] JOSEPH L. FITZMAURICE,
Hearing Examiner.

[F.R. Doc. 66-11; Filed, Jan. 3, 1966; 8:45 a.m.]

NATIONAL SCIENCE FOUNDATION

STATEMENT OF ORGANIZATION

Creation and authority. The National Science Foundation was established by the National Science Foundation Act of 1950 (64 Stat. 149; 42 U.S.C. 1861-1879). The Foundation consists of the National Science Board (24 members), and the Director, all appointed by the President with the advice and consent of the Senate. The Director is the Chief Executive Officer of the Foundation and serves ex officio as a member of the Board and as Chairman of its Executive Committee. The mission of the National Science Foundation is to strengthen scientific research and science education in the United States.

The Foundation accomplishes its mission primarily through the award of grants to universities, colleges, other nonprofit organizations, and to individuals. (In some instances, where NSF has a specially assigned mission, such as weather modification, or where services are being procured, or for reasons of effecting management control, contracts are used rather than grants). The Foundation is organized by major functional and disciplinary areas related to the support of science, engineering, and science education.

Organization. (a) National Science Board and Office of the Director: The National Science Board is responsible for establishing general Foundation policies. Initially, the Board was responsible for reviewing and approving all grants awarded by the Foundation. With the growth of the Foundation, the National Science Foundation Act was amended to permit the Board to delegate to the Director authority to take final action on grants, contracts and fellowships. Pursuant to this authority, the Board currently delegates the approval of the majority of such actions to the Director.

The Director is responsible for the execution of the Foundation's programs and for recommending policy considerations to the Board. The Director is assisted by a Deputy Director, who is appointed by him with the approval of the Board.

(b) Program Activities of the Foundation: The program activities of the Foundation are carried out through a number of Divisions and Offices. The program divisions and offices report to the Director through five senior officers:

(1) Deputy Director.
(2) Associate Director (Research).
(3) Associate Director (Education).
(4) Associate Director (Planning).
(5) Director, Mohole Project Office.

(1) Deputy Director: Two Offices report directly to the Deputy Director instead of through an Associate Director or other senior officer.

(i) Office of Science Information Service: This Office is concerned with carrying out the Foundation's responsibility to foster the interchange of scientific information among United States and foreign scientists. The Studies and Support Section includes programs concerned with the support of publications, translations, and indexing and abstracting services; the encouragement of new and improved information systems; and research directed to improved application as well as enhanced understanding of basic information processes. The Science Information Coordination Section includes programs to effect coordination among domestic and foreign science information activities and services and to secure the necessary liaison with the Federal Government.

(ii) Office of International Science Activities: This Office provides staff support to the Foundation on international science matters. It also assists the Department of State in planning and implementing United States participation in the science programs of the Organization for Economic Cooperation and Development (OECD), and also provides scientific advice to the Department of State in matters concerning the science programs of UNESCO, NATO, and the Organization of American States. Staff assistance also is provided to the Office of Science and Technology in connection with various activities relating to international science programs.

(2) Associate Director (Research): Six Divisions report to the Associate Director (Research). Each Division is headed by a Division Director and is generally subdivided on a disciplinary and/or functional basis into Sections, and/or Programs.

(i) Division of Mathematical and Physical Sciences: The Division provides support for basic research in the fields of Astronomy, Chemistry, Mathematical Sciences, and Physics. It also supports two national research centers: the National Radio Astronomy Observatory, Green Bank, W. Va.; and the Kitt Peak National Observatory, Tucson, Ariz.

In addition, support is provided for university computing facilities, university physics research facilities, chemistry research instruments and research facilities for astronomy.

(ii) Division of Biological and Medical Sciences: The Division provides support for basic research in Cellular Biology, Environmental and Systematic Biology, Molecular Biology, Physiological Processes and psychobiology. It also provides support for specialized biological research facilities, including those for use in marine biology and biological oceanography.

(iii) Division of Engineering: The Division provides support for research in Engineering Chemistry, Engineering Energetics, Engineering Materials, Engineering Mechanics, and Engineering Systems. In addition, a special program provides support for interdisciplinary areas such as transportation, bioengineering, photogrammetry, nuclear reactors and fire research. The Division also provides support for specialized research equipment and facilities in engineering, and through its research initiation grants provides support for young investigators in engineering universities and colleges.

(iv) Division of Environmental Sciences: The Division provides support for basic research in the Atmospheric Sciences and the Earth Sciences, including oceanography. Among other things, the Division is concerned with support for oceanographic research vessels and facilities and university atmospheric research facilities. It also provides support for the National Center for Atmospheric Research at Boulder, Colo.

Through its Office of Antarctic Programs, the Division has responsibility for planning, coordinating and managing the U.S. Antarctic Research Program. This program enables scientists to carry out a wide variety of basic scientific investigations in Antarctica. The Office also is responsible for certain U.S. responsibilities under the Antarctic Treaty for international scientific cooperation, exchange of information with other Treaty signatories and conservation of natural resources.

(v) Division of Social Sciences: The Division provides support for basic research in Anthropology, Economics, Political Science, Economic and Social Geography, History and Philosophy of Science, Sociology, and Social Psychology. It also provides support for specialized social science research facilities.

(vi) Division of Institutional Programs: The Division administers the following programs: Graduate Science Facilities, Institutional Grants, and Science Development.

The Graduate Science Facilities Program provides matching funds for the construction or renovation of graduate-level science facilities used for basic research and research training.

Institutional Grants for Science are general purpose grants for the support of a wide variety of science activities, based on the amount of Foundation support provided to the institution for basic research and research-related science education programs. Such institutional grants may be used at the discretion of the grantee.

The Science Development Program is designed to assist academic institutions to significantly strengthen their activities in science and engineering. The major objective is to increase the number of institutions of superior quality in research and education in the sciences.

(3) Associate Director (Education): Three Divisions, organized by levels of education, report to the Associate Director (Education). Each Division is headed by a Division Director and is further subdivided into Sections and/or Programs on a functional basis.

(i) Division of Graduate Education in Science: The Division is responsible for science education activities for teachers and students at the graduate (post-baccalaureate) level and for activities aimed at the improvement of graduate level instruction in science and engineering. In particular, the Division is responsible for programs of fellowships for graduate students, science faculty, post-doctoral and senior postdoctoral scholars, teaching assistants, and visiting foreign scientists; for science traineeship programs, advanced science seminars and for other activities in support of graduate science education.

(ii) Division of Undergraduate Education in Science: The Division is responsible for science education programs at the undergraduate level for students and teachers; for providing support for the acquisition of science teaching equipment by colleges and universities; and for the improvement of instruction in science, mathematics, and engineering. In particular, this Division is responsible for programs providing assistance for undergraduate research participation and independent study; for course content improvement at the undergraduate level; and for supplementary training of college teachers through institutes; research participation and other means.

(iii) Division of Pre-College Education in Science: The Division is responsible for programs for supplementary training of teachers of science and mathematics at the pre-college level; for the development of science and mathematics curricular materials at this level; and for the development of science education activities at the elementary and secondary levels.

(4) Associate Director (Planning): Three Offices report to the Associate Director (Planning).

(i) Office of Science Resources Planning: This Office conducts, or arranges for the conduct of, studies designed to determine the character of policies and programs needed to assure adequate national resources for science.

(ii) Office of Economic and Manpower Studies: This Office is responsible for factual and statistical studies required for the development of national, Federal and Foundation policies in the areas of science and technology.

(iii) Office of Program Development and Analysis: This Office is responsible for the conduct of studies aimed at providing assistance for Foundation program planning. The Office is also responsible for evaluation and analysis of on-going Foundation programs.

(5) Director, Mohole Project Office: The Mohole Project Office is responsible

for the management of the United States scientific effort to extend man's knowledge of this planet by deep drilling into the earth's crust and eventually into the unexplored mantle beneath it. The Mohole Project Office is directly responsible for cognizance over the activities of the prime contractor undertaking the major phases leading to and including the deep drilling operation.

(c) Legal, External Liaison, Financial Management and Administrative Management Activities of the Foundation.

The legal, external liaison, financial management and administrative management activities of the Foundation report to four senior officers:

(1) General Counsel.
(2) Congressional Liaison Officer.
(3) Comptroller.
(4) Administrative Manager.

(1) Office of the General Counsel: The Office of the General Counsel provides legal advice and counsel to the National Science Board, the Director, and the other Divisions and Offices of the Foundation.

(2) Office of Congressional and Public Affairs: The Office of Congressional and Public Affairs provides assistance on Congressional and Public information matters. The Office has two constituent parts: the Congressional Liaison Office and the Public Information Office.

(3) Office of the Comptroller: The Office of the Comptroller advises the Director on financial management matters and is responsible for the development, coordination and direction of financial management policies and programs and for financial management operations. The organization consists of four Offices: Budget Office, Finance Office, Internal Audit Office, and Indirect Cost (Rate) Determination Office.

(4) Office of the Administrative Manager: The Office of the Administrative Manager is responsible for the administrative policies and procedures of the Foundation, including the processing and review of grants and contracts, and provides the Director with advice on administrative management matters. The organization consists of six units: Contracts Office, Grants Office, Personnel Office, Management Analysis Office, Office Services and the Library.

Approved: December 23, 1965.

JOHN T. WILSON,
Deputy Director.

[F.R. Doc. 66-5; Filed, Jan. 3, 1966; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-1878]

CHANNING INCOME FUND, INC., ET AL.

Notice of Filing of Application for Temporary Exemption

DECEMBER 28, 1965.

Notice is hereby given that Channing Income Fund, Inc. a Maryland corporation, Channing International Growth Fund, Inc., a Maryland corporation, Channing Securities, Inc., a Delaware corporation, and Channing Shares, Inc., a Delaware corporation, all of which corporations (the "Funds") are registered open-end management investment companies, and Van Strum & Towne, Inc. ("Van Strum"), 85 Broad Street, New York, N.Y., 10004, a Delaware corporation and investment adviser to the Funds, have filed an application pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") for a temporary order of exemption from section 15(a) of the Act. The requested order, in effect, seeks exemption for Van Strum to serve as investment adviser of each of the Funds without the shareholders' prior approval of the investment advisory contracts during the period following consummation of the tender offer mentioned below and prior to the holding of the next annual meetings of shareholders of such Funds scheduled to occur during April 1966. All interested persons are referred to the application filed with the Commission for a statement of the representations stated therein, which are summarized below.

The Funds and Van Strum, which is a wholy owned subsidiary of Channing Financial Corp., a Delaware corporation ("Channing Financial"), have been informed that Los Angeles Investment Co., a California real estate corporation ("Los Angeles") proposes to make a tender offer to purchase up to 500,000 shares of the common or preferred stock of Channing Financial. Los Angeles will reserve the right to purchase any or all shares tendered in excess of 500,000 shares. The offer will expire on January 10, 1966, but may be extended until January 25, 1966. Consummation of the purchase by Los Angeles is conditioned upon the issuance by the Commission of the order sought by this application.

At December 15, 1965, directors and officers of Channing Financial as a group owned an aggregate of approximately 36 percent of the voting stock of Channing Financial. There are no agreements or understandings regarding the amount of stock, if any, which will be tendered by such persons, but it is expected that a number of such directors and officers will tender at least a portion of their stock pursuant to the tender offer.

Los Angeles presently owns approximately 14 percent of the voting securities of Channing Financial, namely 386,135 shares of common stock and 11,559 shares of preferred stock. If it purchases 500,000 shares pursuant to the tender offer, Los Angeles will own approximately 31 percent of such voting securities. The application states that under the circumstances the proposed acquisition of the additional shares of common stock may be considered an indirect transfer of the advisory contracts between the Funds and Van Strum, and thus an assignment of such contracts which by their terms would thereupon automatically terminate.

Each of the Funds proposes, if the exemption requested by this application is granted, to enter into a new investment advisory contract with Van Strum which will be identical in all material respects with the existing contract and will become effective upon consummation of the tender offer. In addition, the management of each of the Funds intends to submit the question of approval or disapproval of the new contract between each such Fund and Van Strum, and the continuance of such new contract to the next annual meeting of shareholders of such Fund. These meetings are scheduled to be held during the month of April 1966.

In support of the application it is stated that it would be disruptive of the Funds' operations and detrimental to the interests of the Funds' shareholders to have the investment advisory services terminated or the status of the existing contracts in doubt by reason of the proposed tender offer. It is further pointed out that no change is presently contemplated as a result of the tender offer in the personnel of Van Strum or in the board of directors of Channing Financial. It is represented that it would not be practicable to hold special meetings of shareholders of the Funds prior to the expected consummation date of the proposed tender offer for the purpose of approving the new advisory contracts, and in any event, shareholders of the Funds will have an opportunity to act upon the new contracts within approximately three to three and one-half months following their earliest possible effective date.

Section 15(a) of the Act provides, among other things, that it shall be unlawful for any person to act as an investment adviser of a registered investment company except pursuant to a written contract which has been approved by the vote of a majority of the outstanding voting securities of such registered investment company and provides in substance for its automatic termination in the event of its assignment by the investment adviser.

Section 6(c) of the Act provides that the Commission, by order upon application, may conditionally or unconditionally exempt any person or transaction from any provision of the Act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than January 10, 1966, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address stated above. Proof of such

service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

[SEAL] NELLYE A. THORSEN, *Assistant Secretary.*

[F.R. Doc. 66–3; Filed, Jan. 3, 1966; 8:45 a.m.]

[812–1863, 812–1864]

EXETER FUND, INC.

Notice of Filing of Applications for Orders of Temporary Exemption

DECEMBER 28, 1965.

Notice is hereby given that Exeter Fund, Inc. ("Fund"), 3001 Philadelphia Pike, Claymont, Del., 19703, a registered open-end management investment company, has filed applications, as subsequently amended, pursuant to section 6(c) of the Investment Company Act of 1940 ("Act") for orders exempting the Fund from the provisions of section 14(a) of the Act and temporarily from the provisions of sections 15(a), 16(a), and 32(a) of the Act.

I

The Fund is intended as an investment vehicle for investors who wish to exchange securities they presently hold for shares of the Fund on a federal income tax-free basis. Simultaneously with its registration as an investment company, the Fund has filed a registration statement under the Securities Act of 1933 with respect to 1,000,000 shares of common stock of the Fund which will be offered in exchange for securities which the management of the Fund deems suitable for exchange as indicated in a list of "Representative Securities" in the prospectus. The minimum deposit to be accepted from any investor is to be securities having a market value of $25,000.

Deposits of shares will be solicited during a period of 60 days after the effective date of the prospectus. This solicitation period may be shortened or extended by the Fund by not more than 30 days. Within 20 days after the end of the solicitation period, if the total market value of deposited securities is at least $30,000,000, the Fund will send an initial report to all investors. Any investor will have the right to withdraw all or part of his deposited securities at any time prior to the filing of the initial report and during a period of 15 days thereafter. The Fund will have the right to reject any deposited securities at any time prior to and for a period of 7 business days after termination of the investors' right of withdrawal. If, after all withdrawals and rejections, the total market value of all deposited securities is not less than $30,000,000, the Fund will specify a date within 10 business days after the termination of the Fund's rejection rights, on which date the exchange of securities on deposit for shares of the Fund will be consummated. If the total market value of all deposited securities is less than $30,000,000 under the circumstances described above, all securities on deposit will be returned directly to the investors by the depositary without any cost to the investor.

Section 14(a) of the Act requires that a registered investment company (a) have a net worth of at least $100,000 prior to making a public offering of its securities, (b) have previously made a public offering and at that time have had a net worth of $100,000, or (c) have made arrangements for at least $100,000 to be paid in by 25 or fewer persons before acceptance of public subscriptions. Since the exchange of shares will not be consummated and the Fund will not commence business unless it has a minimum capital of $30,000,000 at the designated exchange date, the Fund submits that the purposes of section 14(a) of the Act will be served in that there will be substantial net worth in the investment company before public subscriptions are accepted. The Fund therefore requests that it be exempted from section 14(a) of the Act.

II

The Fund presently has no shareholders and does not anticipate that there will be any substantial number of shares outstanding until the proposed exchange of shares has been effected pursuant to the public offering. It is expected that this exchange will not take effect in sufficient time to hold the regular annual meeting of stockholders in March 1966, as provided in the By-Laws of the Fund.

Prior to the effective date of the registration statement, the Fund proposes to enter into an investment advisory agreement with Wellington Management Co. Since the Fund will not have any outstanding voting securities until after the effective date of its registration statement, it will not be possible to secure prior approval of the advisory contract by a vote of a majority of outstanding securities required by section 15(a) of the Act. Similarly, a majority of the present directors of the Fund have not been elected by the holders of the outstanding voting securities of the Fund, as required by section 16(a) of the Act. For the same reason the appointment of auditors for the fiscal year ending September 30, 1966, will not be subject to ratification by the stockholders in accordance with section 32(a) of the Act.

Sections 15(a), 16(a), and 32(a) require shareholder approval of the investment advisory agreement, the election of directors by shareholders, and shareholder ratification of the selection of an independent public accountant. Accordingly, the Fund requests that it be exempted from sections 15(a), 16(a), and 32(a) of the Act until a special shareholders' meeting can be held not more than 60 days after the exchange of shares between the Fund and investors has been effected.

Section 6(c) of the Act provides, among other things, that the Commission, by order upon application, may conditionally or unconditionally exempt any person from any provision or provisions of the Act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than January 14, 1966, at 5:30 p.m. submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon applicant. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

For the Commission (pursuant to delegated authority).

[SEAL] NELLYE A. THORSEN, *Assistant Secretary.*

[F.R. Doc. 66–4; Filed, Jan. 3, 1966; 8:45 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

CERTIFICATES AUTHORIZING EMPLOYMENT OF LEARNERS AT SPECIAL MINIMUM RATES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 et seq.), and Administrative Order 579 (28 F.R. 11524) the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the act. The effective and expiration dates, occupations, wage rates, number or proportion of learners and learning periods, for certificates issued under general learner regulations (29 CFR 522.1 to 522.9), and the principal product

manufactured by the employer are as indicated below. Conditions provided in certificates issued under the supplemental industry regulations cited in the captions below are as established in those regulations.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended, and 29 CFR 522.20 to 522.25, as amended).

The following learner certificates were issued authorizing the employment of 10 percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Anthracite Shirt Co., 1 South Franklin Street, Shamokin, Pa.; effective 12–1–65 to 11–30–66 (men's and boys' shirts).

The Arrow Co., Buchanan, Ga.; effective 12–13–65 to 12–12–66 (men's shirts).

The Enro Shirt Co., Inc., 4300 Leghorn Drive, Louisville, Ky.; effective 11–10–65 to 11–9–66 (men's shirts and ladies' blouses).

Imperial Reading Corp., Anniston, Ala.; effective 11–9–65 to 11–8–66 (men's and boys' jeans and pants).

Florence Manufacturing Co., Inc., 1104 Chase Avenue, Florence, S.C.; effective 11–29–65 to 11–28–66 (ladies' dresses).

Garan, Inc., Starkville, Miss.; effective 12–5–65 to 12–4–66 (men's and boys' shirts).

Garan, Inc., Main and Dorsky Streets, Adamsville, Tenn.; effective 12–10–65 to 12–9–66 (men's and boys' shirts).

Jerry Shore Sportswear, Inc., 1701 Bassett Avenue, El Paso, Tex.; effective 11–29–65 to 11–28–66 (men's, boys' and ladies' slacks).

Junction City Manufacturing Corp., Junction City, La.; effective 11–17–65 to 11–16–66 (ladies' nightwear).

Kenrose Manufacturing Co., Inc., Radford, Va.; effective 12–12–65 to 12–11–66 (women's dresses).

Linden Apparel Corp., Plant No. 1, Factory Street, Plant No. 2, Everett Street, Linden, Tenn.; effective 11–13–65 to 11–12–66 (men's and boys' dungarees).

Mammoth Cave Garment Co., 237 Broadway, Cave City, Ky.; effective 12–11–65 to 12–10–66 (men's and boys' dungarees).

Mayflower Manufacturing Co., Inc., 460–506 North Main Avenue, Scranton, Pa.; effective 12–12–65 to 12–11–66 (boys' trousers).

Samuel Meltzer, d.b.a. The Liberty Co., Royalty Manufacturing Co., Inc., East Front Street, Dyer, Tenn.; effective 11–10–65 to 11–9–66 (men's and boys' pajamas).

Panola Inc. of Batesville, Highway 6 West, Batesville, Miss.; effective 11–11–65 to 11–10–66 (women's girdles).

Phillips-Van Heusen Corp., Section, Ala.; effective 12–1–65 to 11–30–66 (men's dress shirts).

Spring City Manufacturing Co., Spring City, Tenn.; effective 11–20–65 to 11–19–66 (men's and boys' pajamas).

Punxy Sportswear Co., Inc., Walnut Street, Punxsutawney, Pa.; effective 12–12–65 to 12–11–66. Learners may not be employed at special minimum wage rates in the production of skirts (ladies' pants and blouses).

Salant & Salant, Inc., Henderson, Tenn.; effective 12–13–65 to 12–12–66 (men's work shirts).

Shane Manufacturing Co., Boy's Wear Division, 1500 West Franklin Street, Evansville, Ind.; effective 12–9–65 to 12–8–66 (boys' pants, shirts and outerwear jackets).

States Nitewear Manufacturing Co., Inc., Healy and Bates Streets, New Bedford, Mass.; effective 12–1–65 to 11–30–66 (ladies' nightgowns and pajamas).

Top Notch Manufacturing Co., Inc., 2101 Cypress Avenue, El Paso, Tex.; effective 11–29–65 to 11–28–66 (men's and boys' overalls).

Warsaw Manufacturing Co., Warsaw, Kingstree, S.C.; effective 11–29–65 to 11–28–66 (ladies' sportswear).

Winfield Manufacturing Co., Golden, Miss.; effective 11–9–65 to 11–8–66 (men's trousers).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

Blain Products, Inc., Blain, Pa.; effective 12–9–65 to 12–8–66; five learners (ladies' nightwear).

Blue Bell, Inc., 450 East Barnes Street, Bushnell, Ill.; effective 12–9–65 to 12–8–66; 10 learners (ladies' sportswear and dungarees).

Loudoun Manufacturing Co., d.b.a. Emmitsburg Manufacturing Co., Emmitsburg, Md.; effective 12–8–65 to 12–7–66; 10 learners (men's trousers).

Fitwell Manufacturing Co., Inc., 850 Moss Street, Reading, Pa.; effective 12–1–65 to 11–30–66; 10 learners (ladies' dresses).

Knitwear Associates, Inc., 1427 Chew Street, Allentown, Pa.; effective 11–29–65 to 11–28–66; 10 learners (men's, boys', girls' and ladies' outerwear).

Laurel Hill Sportswear Manufacturing Inc., Rockwood, Pa.; effective 11–11–65 to 11–10–66; 10 learners (women's car coats and ski jackets).

Whitakers Garment Co., Inc., Whitakers, N.C.; effective 12–1–65 to 11–30–66; 10 learners (children's dresses).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

The Arrow Co., Jasper, Ala.; effective 12–9–65 to 6–8–66; 50 learners (men's shirts).

Calhoun Garment Co., division of Kellwood Co., Oxford, Miss.; effective 12–14–65 to 6–13–66; 30 learners (boys' pants and shorts).

Formflex of Arizona, 1120 West Watkins Road, Phoenix, Ariz.; effective 12–3–65 to 6–2–66; 15 learners (girdles).

F. Jacobson & Sons, Inc., Tipton and O'Brien Streets, Seymour, Ind.; effective 12–3–65 to 6–2–66; 50 learners (men's shirts).

Jerry Shore Sportswear, Inc., 1701 Bassett Avenue, El Paso, Tex.; effective 11–29–65 to 5–28–66; 60 learners (men's and boys' and ladies' slacks).

The H. D. Lee Co., Inc., Jasper, Ga.; effective 12–2–65 to 6–1–66; 20 learners (men's and boys' pants).

Panola Inc. of Batesville, Highway 6 West, Batesville, Miss.; effective 11–29–65 to 5–28–66; 50 learners (women's girdles).

Phillips-Van Heusen Corp., Section, Ala.; effective 12–1–65 to 5–31–66; 60 learners (men's dress shirts).

Spartans Industries, Inc., Sparta, Tenn.; effective 11–30–65 to 5–29–66; 50 learners (ladies' blouses).

Glove Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended, and 29 CFR 522.60 to 522.65, as amended).

Good Luck Glove Co., East Fifth Street, Metropolis, Ill.; effective 12–6–65 to 12–5–66; 10 learners for normal labor turnover purposes (work gloves).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended, and 29 CFR 522.40 to 522.43, as amended).

Knit Products Corp., Belmont, N.C.; effective 11–29–65 to 11–28–66; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless).

Outlook Manufacturing Co., Belmont, N.C.; effective 12–1–65 to 11–30–66; 5 percent of the total number of factory production workers for normal labor turnover purposes (seamless).

Knitted Wear Industry Learner Regulations (29 CFR 522.1 to 522.9, as amended, and 29 CFR 522.30 to 522.35, as amended).

Blue Grass Industries, Inc., State Highway No. 36, Carlisle, Ky.; effective 11–16–65 to 11–15–66; 5 percent of the total number of factory production workers for normal labor turnover purposes (men's knitted shorts).

Blue Grass Industries, Inc., 10–14 East High Street, Mount Sterling, Ky.; effective 11–16–65 to 11–15–66; 5 percent of the total number of factory production workers for normal labor turnover purposes (men's shorts).

Concord Manufacturing Corp., Harrel Street, Morrisville, Vt.; effective 12–3–65 to 6–2–66; 30 learners for plant expansion purposes (men's nylon tricot pajamas).

Lady Ester Lingerie Corp., 10th and Walnut Streets, Berwick, Pa., Kaydette Corp., 1101 Fereas Avenue, Berwick, Pa.; effective 11–12–65 to 11–11–66; 5 percent of the total number of factory production workers for normal labor turnover purposes (ladies' slips).

Safford Manufacturing Corp., Safford, Ariz.; effective 12–7–65 to 6–6–66; 30 learners for plant expansion purposes in the production of women's knitted garments (women's, misses' underwear, nightwear and negligees).

A. H. Schreiber Co., Inc., Washington Street, Mount Holly, N.J.; effective 11–9–65 to 11–8–66; 5 percent of the total number of factory production workers for normal labor turnover purposes (women's and children's cotton, rayon and nylon undergarments).

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.9, as amended).

Blue Grass Industries, Inc., State Highway No. 36, Carlisle, Ky.; effective 11–16–65 to 5–15–66; five learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of not less than $1.15 an hour for the first 160 hours and not less than $1.20 an hour for the remaining 160 hours (women's sanitary belts and men's athletic supporters).

The following learner certificates were issued in Puerto Rico to the companies hereinafter named. The effective and expiration dates, learner rates, occupations, learning periods, and the number of learners authorized to be employed, are indicated.

Adele Manufacturing Corp., Apartado 325, Rio Grande, P.R.; effective 11–15–65 to 11–14–66, five learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 75 cents an hour (men's cotton shorts).

Alfredo Manufacturing Corp., Apartado 325, Rio Grande, P.R.; effective 11–15–65 to 11–14–66; 17 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 75 cents an hour (men's cotton pajamas).

Americana Manufacturing Co., Inc., Apartado 1168, Guayama, P.R.; effective 11–15–65 to 11–14–66; 15 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 92 cents an hour (brassieres and girdles).

Angela Manufacturing Co., Inc., Apartado 676, Guayama, P.R.; effective 11–15–65 to 11–14–66; 16 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 92 cents an hour (corsets).

Caguas Tobacco & Processing Corp., Apartado 576, Caguas, P.R.; effective 10–23–65 to 10–22–66; 25 learners for normal labor turnover purposes in the occupations of: (1) Machine stripping, for a learning period of 160 hours at the rate of 94 cents an hour; and (2) sorting, for a learning period of 240 hours at the rate of 80 cents an hour (wrapper type tobacco).

Caribe Sportswear, Inc., State Road No. 1, Km. 34.2, Post Office Box 1064, Caguas, P.R.; effective 11–15–65 to 11–14–66; 10 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 77 cents an hour in the manufacture of children's polo shirts, slacks and skirts, and 85 cents an hour in the manufacture of women's polo shirts, slacks and skirts (polo shirts, slacks and skirts).

Carlin Manufacturing Corp., Carretera 992, Km. 0.2, Apartado 221, Luquillo, P.R.; effective 11–29–65 to 5–28–66; 40 learners for plant expansion purposes in the occupation of sewing machine operating for a learning period of 320 hours at the rate of 92 cents an hour (brassieres).

Consolidated Cigar Corp., Apartado 1086, Caguas, P.R.; effective 8–2–65 to 8–1–66; 100 learners for normal labor turnover purposes in the occupation of cigarmaking, packing, each for a learning period of 320 hours at the rate of 94 cents an hour for the first 160 hours and $1.04 an hour for the remaining 160 hours (cigars).

Electrospace Corp. of P.R., Apartado 68, Naguabo, P.R.; effective 11–29–65 to 5–28–66; 10 learners for plant expansion purposes in the occupation of assembling, wiring, and soldering, inspecting and testing of military electronic equipment, each for a learning period of 480 hours at the rates of $1.05 an hour for the first 240 hours and $1.15 an hour for the remaining 240 hours (electronic signal equipment).

Makress Handcraft, Inc., Calle A Esquina B, Urb. Industrial Zeno Gandia, Apartado 1761, Arecibo, P.R.; effective 11–22–65 to 5–21–66; 20 learners for plant expansion purposes in the occupation of sewing machine operating, machine embroidery, for a learning period of 320 hours at the rate of 75 cents an hour (ladies' underwear).

Makress Lingerie, Inc., Calle A Esquina B, Urb. Industrial Zeno Gandia, Apartado 1761, Arecibo, P.R.; effective 11–22–65 to 11–21–66; 10 learners for normal labor turnover purposes in the occupation of sewing machine operating-machine embroidery, for a learning period of 320 hours at the rate of 75 cents an hour (ladies' underwear).

Rio Grande Manufacturing Corp., Apartado 325, Rio Grande, P.R.; effective 10–25–65 to 10–24–66; 15 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 75 cents an hour (men's cotton shorts).

Rio Monte Manufacturing Corp., Apartado 325, Rio Grande, P.R.; effective 11–15–65 to 11–14–66; 5 learners for normal labor turnover purposes in the occupation of sewing machine operating, for a learning period of 320 hours at the rate of 75 cents an hour (men's cotton pajamas).

Sally Manufacturing Corp., Apartado 268, Juana Diaz, P.R.; effective 10–25–65 to 10–24–66; 10 learners for normal labor turnover purposes in the occupation of sewing machine operating for a learning period of 320 hours at the rate of 92 cents an hour (brassieres).

Sayles Electric Co., Munoz Rivera Street, Post Office Box 378, Toa Baja, P.R.; effective 11–26–65 to 5–25–66; 20 learners for plant expansion purposes in the occupation of coil winding, for a learning period of 160 hours at the rate of $1.05 an hour (transformers for TV sets).

R.B. Tobacco Corp., Calle Ruiz Belvis, Apartado 576, Caguas, P.R.; effective 10–27–65 to 10–26–66; 24 learners for normal labor turnover purposes in the occupations of: (1) Machine stripping, for a learning period of 160 hours at the rate of 94 cents an hour; and (2) sorting, for a learning period of 240 hours at the rate of 80 cents an hour (wrapper type tobacco).

TPM division of General Cigar Co., Inc., Apartado 576, Caguas, P.R.; effective 10–23–65 to 10–22–66; 20 learners for normal labor turnover purposes in the occupation of sorting, sizing and tying, each for a learning period of 240 hours at the rate of 80 cents an hour (wrapper tobacco).

United Electronics, Inc., road No. 3, Km. 85.6, Post Office Box 1112, Humacao, P.R.; effective 11–29–65 to 5–28–66; 20 learners for plant expansion purposes in the occupations of soldering, assembling, quality control; plastic component assembling, circuit testing, each for a learning period of 240 hours at the rate of $1.00 an hour (transistor amplifiers).

Wendy Textile Mills, Inc., Apartado 737, Quebradillas, P.R.; effective 10–11–65 to 10–10–66; five learners for normal labor turnover purposes in the occupations of: (1) Machine knitting, for a learning period of 480 hours at the rates of 88 cents an hour for the first 240 hours and $1.03 an hour for the remaining 240 hours; and (2) machine stitching, for a learning period of 320 hours at the rates of 88 cents an hour for the first 160 hours and $1.03 an hour for the remaining 160 hours (knitting of garments).

Each learner certificate has been issued upon the representations of the employer which, among other things, were that employment of learners at special minimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within 15 days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of 29 CFR 522.9. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in 29 CFR Part 528.

Signed at Washington, D.C., this 17th day of December 1965.

ROBERT G. GRONEWALD,
Authorized Representative of the Administrator.

[F.R. Doc. 66–2; Filed, Jan. 3, 1966; 8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 108]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

DECEMBER 29, 1965.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules in Ex Parte No. MC 67 (49 CFR Part 240), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protests must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protest must be specific as the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined, at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 531 (Sub-No. 202TA), filed December 22, 1965. Applicant: YOUNGER BROTHERS, INC., 4904 Griggs Road, Post Office Box 14287, Houston, Tex., 77021. Applicant's representative: Mr. Wray E. Hughes, 4904 Griggs Road, Houston, Tex., 77021. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Silica gel catalyst*, in dry bulk, in pneumatic hopper type vehicles, from Brian, La., to Toledo, Ohio, with a return movement of *spent catalyst*, from Lima, Ohio, to Brian, La., for 150 days. Supporting shipper: Universal Oil Products Co., 30 Algonquin Road, Des Plaines, Ill., 60016. Send protests to: John C. Redus, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Post Office Box 61212, Houston, Tex., 77061.

No. MC 13471 (Sub-No. 8TA), filed December 23, 1965. Applicant: WILEY'S AUTO EXPRESS, INC., Oak Lane and McDade Boulevard, Glenolden, Pa. Applicant's representative: James W Hagar, Commerce Building, Post Office Box 432, Harrisburg, Pa., 17108. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities* as are sold in, or used in connection with the operation of gasoline service stations, excluding commodities in bulk, under a continuing contract with Gulf Oil Corp. of Philadelphia, Pa., between shipper's facilities in Bristol Township, Bucks County, Pa., on the one hand, and, on the other, shipper's jobbers and shipper's facilities in Delaware, Hagerstown, Md., that portion of Maryland east of U.S. Highway 15, Fairfax County, Va., and the District of Columbia, for 180 days. Supporting shipper: Gulf Oil Corp., Gulf Building, Schuylkill Expressway and City Avenue, Philadelphia, Pa., 19101. Send protests to: Peter R. Guman, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 900 U.S. Customhouse, 2d and Chestnut Streets, Philadelphia, Pa.

No. MC 21170 (Sub-No. 143TA), filed December 20, 1965. Applicant: BOS LINES, INC., 408 South 12th Avenue, Marshalltown Iowa. Applicant's repre-

sentative: Jack H. Blansha (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts*, and *articles distributed by meat packinghouses*, as described in appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except commodities in bulk, in tank vehicles and hides), from the plantsite and warehouse facilities of Iowa Beef Packers, Inc., located in Dakota County, Nebr., to points in Connecticut, Delaware, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, District of Columbia, and Chicago, Ill., and its commercial zone, for 180 days. Supporting shipper: Iowa Beef Packers, Inc., Dakota City, Nebr. Send protests to: Ellis L. Annett, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 227 Federal Office Building, Des Moines, Iowa, 50309.

No. MC 21170 (Sub-No. 144 TA), filed December 22, 1965. Applicant: BOS LINES, INC., 408 South 12th Avenue, Marshalltown, Iowa. Applicant's representative: Jack H. Blanshan (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts*, and *articles distributed by meat packing houses*, as described in sections A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766 (except commodities in bulk, in tank vehicles and hides), from the plantsite and warehouse facilities of Swift & Co. located at Sioux City, Iowa, to points in Chicago, Ill., Ohio, Michigan, Connecticut, Delaware, Indiana, Maryland, Massachusetts, New Jersey, New York, Maine, New Hampshire, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and District of Columbia, for 180 days. Supporting shipper: Swift & Co., 115 West Jackson Boulevard, Chicago, Ill., 60604. Send protests to: Ellis L. Annett, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 227 Federal Office Building, Des Moines, Iowa, 50309.

No. MC 30059 (Sub-No. 3 TA), filed December 22, 1965. Applicant: BURL PRENTICE, 120 South Broadway, Stigler, Okla. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Classes A and B explosives*, from Fort Smith, Ark., to Robert S. Kerr Lock and Dam, Oklahoma, for 150 days. Supporting shipper: Perini, M-K Leavell, Post Office Box 468, Sallisaw, Okla., send protests to: C. L. Phillips, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 350, American General Bldg., 210 Northwest Sixth, Oklahoma City, Okla.

No. MC 36897 (Sub-No. 1TA), filed December 23, 1965. Applicant: TRENTON TRANSPORT, INC., 220 Woolston Drive, Morrisville, Pa. Applicant's representative: John H. Derby, 2122 Cross Road, Glendise, Pa. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities*, (except those of unusual value, classes A and B explosives, automobiles, dairy products, livestock, fish, poultry, petroleum products, baggage, household goods as defined by the Commission, commodities in bulk, and those requiring special equipment), between points in New Jersey within 25 miles of Trenton, including Trenton, for subsequent movement to or from Philadelphia, Pa., subject to condition that no traffic shall be transported which originates at or is destined to Philadelphia, for 180 days. Supporting shippers: Universal Carloading & Distributing Co., Inc., 2201 East Butler Street, Philadelphia, Pa., and International Forwarding Co., Butler and Sepviva Streets, Philadelphia, Pa. Send protests to: F. W. Doyle, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Second and Chestnut Streets, Philadelphia, Pa., 19106.

No. MC 58813 (Sub-No. 71 TA), filed December 22, 1965. Applicant: SELMAN'S EXPRESS, INC., 460 West 35th Street, New York, N.Y. Applicant's representative: Solomon Granett, 1740 Broadway, New York, N.Y. 10019. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Wearing apparel*, loose, on hangers only, from Daviston, Tuscaloosa, and Montgomery, Ala., to New York, N.Y., and *materials and supplies* used in the manufacture of wearing apparel from New York, N.Y. to Daviston, Tuscaloosa, and Montgomery, Ala., for 120 days. Supporting shippers: Bama Manufacturing Corp., Daviston, Ala., and Co-Ed Sportswear, 2412 Greensboro Avenue, Tuscaloosa, Ala. Send protests to: Stephen P. Tomany, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 346 Broadway, New York, N.Y., 10013.

No. MC 64932 (Sub-No. 392 TA), filed December 22, 1965. Applicant: ROGERS CARTAGE CO., 1439 West 103d Street, Chicago, Ill., 60643. Applicant's representative: Carl L. Steiner, 39 South La Salle Street, Chicago, Ill., 60603. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Resins*, dry, in bulk, in tank or hopper type vehicles, from the plantsite of The Pantasote Co. at Point Pleasant, Mason County, W. Va., to points in Alabama, California, Colorado, Connecticut, Delaware, Florida, Georgia, Illinois (except points in Bond, Clinton, Jersey, Madison, Monroe, Perry Randolph, St. Clair, and Washington Counties), Indiana, Iowa (except points on and west of U.S. Highway 65), Kentucky, Louisiana (except points on and west of U.S. Highway 67), Maine (except points in Aroostook and Penobscot Counties), Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Vermont, Virginia, West Virginia, Wisconsin, and the District of Columbia, for 180 days. Supporting shipper: The Pantasote Co., 28 Jefferson Street, Passaic, N.J. Send protests to: Charles J. Kudelka, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 1086, New Federal Building, Chicago, Ill., 60604.

No. MC 67692 (Sub-No. 4 TA), filed December 22, 1965. Applicant: HOLT TRUCK LINE, INC., Conway, Ark. Applicant's representative: Louis Tarlowski, Pyramid Life Building, Little Rock, Ark. Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except Classes A and B explosives, livestock, household goods, as defined by the Commssion, and commodities requiring special equipment), from Conway over Arkansas Highway 60 to junction unnumbered access road, thence over unnumbered access road to lock and dam site No. 8, on the Arkansas River, near Conway, Ark., for 150 days. Supporting shipper: Hardaway & Finley, Post Office Box 1360, Columbus, Ga., 31902, Mailing address: Post Office Box 338, Newburgh, Ind., 47630. Send protests to: D. R. Partney, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 2519 Federal Office Building, Little Rock, Ark., 72201.

No. MC 73464 (Sub-No. 100 TA), filed December 20, 1965. Applicant: JACK COLE COMPANY, a corporation, 1900 Vanderbilt Road, Post Office Box 274, Birmingham, Ala. Applicant's representative: George E. Tickle (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over regular routes, transporting: *General commodities* (except those of unusual value, classes A and B explosives, household goods as defined by the Commission, commodities in bulk, commodities requiring special equipment), (1) between Detroit, Mich., and Bay City, Mich., from Detroit, Mich., to Saginaw, Mich., thence over Michigan Highway 13 to Bay City, serving intermediate and off-route points of Ann Arbor, East Lansing, Flint, Jackson, Lansing, Midland, Pontiac, Swartz Creek, Troy, Willow Run, and Ypsilanti, Mich., (2) between Toledo, Ohio, to Bay City, Mich., from Toledo, over U.S. Highway 223 to junction U.S. Highway 23, thence over U.S. Highway 23 to junction Interstate Highway 75, thence over Interstate Highway 75 to junction Michigan Highway 13, thence over Michigan Highway 13 to Bay City, serving intermediate and off-route points of Ann Arbor, East Lansing, Flint, Jackson, Lansing, Midland, Pontiac, Saginaw, Swartz Creek, Troy, Willow Run, and Ypsilanti, Mich. Restriction: Service is not authorized on freight originating at or destined to, received from or transferred to connecting carriers at Detroit, Mich., and Toledo, Ohio, for 180 days. Supporting shipper: There are 33 letters of support attached to the application, which may be examined here at the Interstate Commerce Commission, in Washington, D.C. Send protests to: B. R. McKenzie, District Supervisor, Bu-

reau of Operations and Compliance, Interstate Commerce Commission, 212 South 20th Street, Birmingham, Ala., 35205.

No. MC 107496 (Sub-No. 436 TA), filed December 22, 1965. Applicant: RUAN TRANSPORT CORPORATION, Keosauqua at Third Street, Post Office Box 855, Des Moines, Iowa. Applicant's representative: H. L. Fabritz (same address as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Tetrahydrofuran*, in bulk, in tank vehicles, from plantsite of Du Pont at Louviers, Colo., to Boulder, Colo., with prior transportation via rail tank car to Louviers, from Niagara Falls, N.Y., for 180 days. Supporting shipper: E. I. Du Pont de Nemours & Co., Wilmington, Del., 19898. Send protests to: Ellis L. Annett, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 227 Federal Office Building, Des Moines, Iowa, 50309.

No. MC 107839 (Sub-No. 100 TA), filed December 22, 1965. Applicant: DENVER-ALBUQUERQUE MOTOR TRANSPORT, INC., 5135 York, Denver, Colo. Applicant's representative: Richard A. Peterson, Box 2028, Lincoln, Nebr., 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts*, and *articles distributed by meat packinghouses* as described in Parts A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Sioux City, Iowa, and points in Dakota County, Nebr., to points in Alabama, Florida, and Georgia, for 180 days. Supporting shippers: Swift & Company, 115 West Jackson Boulevard, Chicago, Ill., 60605, Floyd Valley Packing Co., Sioux City, Iowa, Iowa Beef Packers, Inc., Dakota City, Nebr., and Sioux City Dressed Pork Co., Sioux City, Iowa. Send protests to: Herbert C. Ruoff, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 2022 Federal Building, Denver, Colo., 80202.

No. MC 107871 (Sub-No. 45 TA), filed December 22, 1965. Applicant: BONDED FREIGHTWAYS, INC., 441, Kirkpatrick Street West, Post Office Box 1012, Syracuse, N.Y., 13201. Applicant's representative: Herbert M. Canter, 345 South Warren Street, Syracuse, N.Y., 13202. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry calcium chloride*, in bulk, in dump trucks, from Solvay, N.Y., to points in Connecticut, for 180 days. Supporting shipper: Allied Chemical Corporation, 40 Rector Street, New York, N.Y., 10006. Send protests to: Morris H. Gross, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 1025 Chimes Building, Syracuse, N.Y., 13202.

No. MC 110358 (Sub-No. 3 TA), filed December 23, 1965. Applicant: WILLIAM STREB, doing business as DUNCANNON TRANSPORTATION COMPANY, 1368 Bustleton Pike, Feasterville, Pa. Applicant's representative: Isaac S. Grab, 102 North Main Street, Doylestown, Pa. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Bakery* and *confectionery products* by palletized trailer; from Philadelphia, Pa., to Baltimore, Md., for 180 days. Supporting shipper: United Biscuit Co. of America, 2407 West North Avenue, Melrose Park, Ill. Send protests to: F. W. Doyle, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 900 U.S. Customhouse, Second and Chestnut Streets, Philadelphia, Pa., 19106.

No. MC 113678 (Sub-No. 208 TA), filed December 22, 1965. Applicant: CURTIS, INC., 770 East 51st Avenue, Denver, Colo., 80216. Applicant's representative: Richard A. Peterson, Nelson, Harding, Aclie, Leonard & Tate, Box 2028, Lincoln, Nebr., 68501. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Meats, meat products, meat byproducts*, and *articles distributed by meat packinghouses*, as described in Parts A and C of appendix I to the report in *Descriptions in Motor Carrier Certificates*, 61 M.C.C. 209 and 766, from Sioux City, Iowa, and points in Dakota County, Nebr., New York, Ohio, Pennsylvania, Rhode Island, Virginia, Washington, D.C., and Chicago, Ill., and its commercial zone for 180 days. Supporting shippers: Sioux City Dressed Pork Co., Sioux City, Iowa, Raskin Packing Co., Inc., Sioux City, Iowa, Swift & Co., 115 West Jackson Boulevard, Chicago, Ill., 60604, Floyd Valley Packing Co., Sioux City, Iowa, Iowa Beef Packers, Inc., Dakota City, Nebr. Send protests to: Herbert C. Ruoff, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 2022 Federal Building, Denver, Colo., 80202.

No. MC 120543 (Sub-No. 36 TA), filed December 22, 1965. Applicant: FLORIDA REFRIGERATED SERVICE, INC., U.S. Highway 301 North, Post Office Box 1297, Dade City, Fla. Applicant's representative: David A. Lindsey (same as applicant). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Frozen foods* and *potato products*, from Burley, Idaho, and Ontario, Oreg., to points in Alabama, Florida, Georgia, Louisiana, Mississippi, Kentucky, North Carolina, Ohio, South Carolina, Tennessee, Virginia, Washington, D.C., and West Virginia, for 180 days. Supporting shipper: Ore-Ida Foods, Inc., Post Office Box 60, Ontario, Oreg., 97914. Send protests to: George H. Fauss, Jr., District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, Post Office Box 4969, Jacksonville, Fla., 32201.

No. MC 125764 (Sub-No. 1 TA), filed December 22, 1965. Applicant: LILAC CITY EXPRESS, INC., East 10222 Fourth Avenue, Spokane, Wash., 99206. Applicant's representative: Donald A. Ericson, Suite 708, Old National Bank Building, Spokane 1, Wash. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Canned and bottled foodstuffs*, from points in Solano and Santa Clara Counties, Calif., to points in Spokane County, Wash., for 180 days. Supporting shipper: United Retail Merchants Food Stores, Inc., of Spokane, Wash., N7511 Freya, Spokane, Wash. Send protests to: L. C. Taylor, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission. 401 U.S. Post Office Building, Spokane, Wash., 99201.

No. MC 126240 (Sub-No. 2 TA), filed December 22, 1965. Applicant: NORMAN SPRESSER, doing business as SPRESSER TRUCK LINE, Selden, Kans. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Feed and feed ingredients* (except in tank vehicles), from Sioux City, Iowa, to points in Decatur, Sheridan, Gove, Logan, Wallace, Sherman, Thomas, Rawlins, and Cheyenne Counties, Kans., and Franklin, Kearney, Buffalo, Harlan, Furnas, Red Willow, Hitchcock, Dundy, Chase, Hayes, Frontier, Gosper, Phelps, Dawson, Lincoln, Keith, and Perkins Counties, Nebr., for 180 days. Supporting shipper: The Quaker Oats Co., Merchandise Mart Plaza, Chicago, Ill., 60654. Send protests to: M. E. Taylor, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 906 Schweiter Building, Wichita, Kans., 67202.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-9; Filed, Jan. 3, 1966; 8:45 a.m.]

[Notice 1279]

MOTOR CARRIER TRANSFER PROCEEDINGS

DECEMBER 29, 1965.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-68267. By order of December 28, 1965, the Transfer Board approved the transfer to Mildred Birozy and Hyman Birozy, a partnership, doing business as Hyben Garment Delivery Co., New York, N.Y., of the Certificate in No. MC-110548, issued September 25, 1950, to Hyman Birozy and Ida Shapiro, a partnership, doing business as Hyben Garment Delivery Co., New York, N.Y., authorizing the transportation of: Garments, and cut and uncut goods,

trimmings, buttons, clasps, clips, and other articles when utilized in the manufacture of garments, between New York, N.Y., on the one hand, and, on the other, Newark, Passaic, Garfield, Paterson, and Bergenfield, N.J. Frederick Siegmund, 257 West 38th Street, New York, N.Y., 10018, attorney for applicants.

No. MC–FC–68357. By order of December 28, 1965, the Transfer Board approved the transfer to Lewis W. McCurdy, doing business as McCurdy's Trucking Co, Latrobe, Pa., of certificates Nos. MC–119118 (Sub-No. 11), MC–119118 (Sub-No. 14), and MC–119118 (Sub-No. 16), issued March 3, 1961, September 27, 1961, and March 13, 1963, and of permits Nos. MC–116564, MC–116564 (Sub-No. 1), MC–116564 (Sub-No. 9), MC–116564 (Sub-No. 12), MC–116564 (Sub-No. 14), and MC–116564 (Sub-No. 15), issued June 3, 1958, April 10, 1959, September 19, 1961, June 2, 1961, April 20, 1965, and November 22, 1965, all in the name of Lewis W. McCurdy and Margaret J. McCurdy, a partnership, doing business as McCurdy's Trucking Co., Latrobe, Pa., authorizing the common carrier transportation of malt beverages, over irregular routes, from Baltimore, Md., to points in Ohio, Indiana, and Michigan; and empty malt beverage containers on return; such commodities as are dealt in by wholesale hardware supply houses, restricted to shipments moving from, to, or between, wholesale hardware supply houses, warehouses, or other facilities of such houses, over irregular routes, between Pittsburgh, Pa., on the one hand, and, on the other, points in Ohio; and malt beverages, in containers, over irregular routes, from Erie, Pa., to points in Ohio, Jamestown, N.Y., and Weirton, W. Va.; and authorizing the contract carrier transportation of malt beverages and malt beverages in containers, over irregular routes, from and to points in the States of Delaware, Maryland, New York, Ohio, Pennsylvania, Virginia, and the District of Columbia, varying with the commodities transported. Paul F. Sullivan, 1815 H Street NW., Washington, D.C., 20006, attorney for applicants.

No. MC–FC–68358. By order of December 27, 1965, the Transfer Board approved the transfer to Howard E. Clarkson and Everett C. Clarkson, a partnership, doing business as Clarkson Bros., Cowpens, S.C., of a portion of Certificate No. MC–11020, issued May 22, 1950, in the name of Eastern-Transit Storage Co., a corporation, Charlotte, N.C., authorizing the transportation of textile machinery and parts, and materials, supplies, and equipment, used or useful in the operation and maintenance of such commodities, over irregular routes, between Gastonia, N.C., and points within 25 miles of Gastonia, and those in Rowan and Rockingham Counties, N.C., on the one hand, and, on the other, Charleston, S.C., and points in Virginia, that part of Tennessee on and east of a line beginning at the Alabama-Tennessee State line, and extending along U.S. Highway 31 to Nashville, Tenn., thence along U.S. Highway 31–E to the Tennessee-Kentucky State line, that part of South Carolina northwest of U.S. Highway 1 and northeast of a line beginning at Columbia, S.C., and extending along U.S. Highway 76 to Laurens, S.C., thence along U.S. Highway 276 to Greenville, S.C., and thence along U.S. Highway 25 to the South Carolina-North Carolina State line, and those in that part of Georgia north of U.S. Highway 80, including those on the indicated portions of the highways specified. Paul F. Sullivan, Federal Bar Building, 1815 H Street NW., Washington, D.C., 20006, representative for applicants.

No. MC–FC–68359. By order of December 27, 1965, the Transfer Board approved the transfer to Howard E. Clarkson and Everett C. Clarkson, a partnership, doing business as Clarkson Bros., Cowpens, S.C., of Certificate No. MC–64373 (Sub-No. 1), issued October 1, 1942, to Leroy Mann, Gastonia, N.C., authorizing the transportation of used or secondhand machinery, over irregular routes, between points in North Carolina, on the one hand, and, on the other, points in Georgia, South Carolina, and Virginia. Paul F. Sullivan, 1815 H Street NW., Washington, D.C., 20006, attorney for applicants.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66–10; Filed, Jan. 3, 1966; 8:45 a.m.]

FEDERAL REGISTER

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PART II

Department of the Treasury

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Internal Revenue Service

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Repeal of Tax on Tobacco Other Than Cigars and Cigarettes and Elimination of Controls on Tobacco Materials

(T.D. 6871)

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER E—ALCOHOL, TOBACCO, AND OTHER EXCISE TAXES

[T.D. 6871]

REPEAL OF TAX ON TOBACCO OTHER THAN CIGARS AND CIGARETTES AND ELIMINATION OF CONTROLS ON TOBACCO MATERIALS

In order to (1) conform regulations in 26 CFR Parts 270, 275, 285, 290, 295, and 296 with section 502 of the Excise Tax Reduction Act of 1965 (P.L. 89-44) which repealed the tax on tobacco other than cigars and cigarettes; (2) repeal regulations in 26 CFR Part 280 consistent with the elimination of internal revenue controls on tobacco materials by such Act; (3) include in 26 CFR Part 270 references to temporary regulations recently instituted in Subpart E of 26 CFR Part 296 concerning the periods covered by tax returns and the time for filing of such returns; (4) conform provisions in 26 CFR Part 290, relating to variations from requirements, to those which now exist in 26 CFR Part 270; and (5) conform provisions in 26 CFR Parts 290 and 295, relating to the mark on packages, to those which now exist in 26 CFR Part 270, the amendments set forth below are made. The amendments shall be effective January 1, 1966, and shall not affect any act done or any liability or right accruing or accrued, or any suit or proceeding had or commenced before such date.

PART 270—MANUFACTURE OF CIGARS AND CIGARETTES

PARAGRAPH 1. Title 26 CFR Part 270 is amended by eliminating all provisions relating to manufactured tobacco and to tobacco materials; by referring to cigars and cigarettes rather than to tobacco products, except where the reference is to a holder of a permit as a manufacturer of tobacco products; by inserting in §§ 270.161 and 270.162 references to temporary regulations in Part 296 concerning the filing of tax returns; and by making necessary conforming changes. The amendments are as follows:

(A) The heading of 26 CFR Part 270 is amended to read: "Part 270—Manufacture of Cigars and Cigarettes."

(B) Section 270.1 and the heading are amended to read:

§ 270.1 Manufacture of cigars and cigarettes.

This part contains the regulations relating to the manufacture of cigars and cigarettes; the payment by manufacturers of tobacco products of internal revenue taxes imposed by Chapter 52 of the Internal Revenue Code; and the qualification of and operations by manufacturers of tobacco products.

(C) Section 270.11 is amended to delete the definitions of "Dealer in tobacco materials," "Manufactured tobacco," "Manufacturer of tobacco," "Stems," "Tobacco materials," and "Waste," and to change the definitions of "Determined or determination," "Export warehouse," "In bond," "Manufacturer of tobacco products," "Package," "Removal or remove," and "Tobacco products," to read as follows:

§ 270.11 Meaning of terms.

* * * * *

Determined or determination. When used with respect to the tax on cigars and cigarettes, determined or determination shall mean that the quantity and kind (small cigars, large cigars, small cigarettes, large cigarettes) of cigars and cigarettes and class of large cigars to be removed subject to tax have been established as prescribed by this part so that the tax payable with respect thereto may be calculated.

* * * * *

Export warehouse. A bonded internal revenue warehouse for the storage of cigars, cigarettes, and cigarette papers and tubes, upon which the internal revenue tax has not been paid, for subsequent shipment to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, or for consumption beyond the jurisdiction of the internal revenue laws of the United States.

* * * * *

In bond. The status of cigars, cigarettes, and cigarette papers and tubes, which come within the coverage of a bond securing the payment of internal revenue taxes imposed by section 5701 or section 7652, I.R.C., and in respect to which such taxes have not been determined as provided by regulations in this chapter, including (a) such articles in a factory, (b) such articles removed, transferred, or released, pursuant to section 5704, I.R.C., and with respect to which relief from the tax liability has not occurred, and (c) such articles on which the tax has been determined, or with respect to which relief from the tax liability has occurred, which have been returned to the coverage of a bond.

* * * * *

Manufacturer of tobacco products. Any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

Package. The container in which cigars or cigarettes are put up by the manufacturer and offered for sale or delivery to the consumer.

* * * * *

Removal or remove. The removal of cigars or cigarettes from the factory or release from customs custody, including the smuggling or other unlawful importation of such articles into the United States.

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Tobacco products. Cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

* * * * *

(D) Section 270.22 is amended to read:

§ 270.22 Classification of large cigars.

Large cigars are divided into seven classes, for tax purposes, corresponding with the rates of tax imposed by section 5701(a)(2), I.R.C., and based on the retail price intended by the manufacturer for such cigars. The classes are designated, from the lowest to the highest rate of tax, as Class A, Class B, Class C, Class D, Class E, Class F, and Class G, respectively. In establishing the retail price, for tax purposes, regard shall be had to the ordinary retail price of a single cigar in its principal market, exclusive of any State or local taxes imposed on cigars as a commodity. Where there is more than one price for the same cigar in its principal market, the tax to be paid shall be determined, at the time of removal, according to the price at which the majority are sold therein. Subsequent retail sale at a price in excess of the maximum for the class at which taxpaid will not, in itself, cause the manufacturer to incur any additional tax liability.

(72 Stat. 1414, as amended; 26 U.S.C. 5701)

§ 270.25 [Deleted]

(E) Section 270.25 is deleted.

(F) Section 270.26 is amended to read:

§ 270.26 Persons liable for tax.

The manufacturer of tobacco products shall be liable for the taxes imposed on cigars and cigarettes by section 5701, I.R.C.: *Provided,* That when cigars and cigarettes are transferred in bond pursuant to section 5704, I.R.C., to the bonded premises of another such manufacturer or an export warehouse proprietor, the transferee shall become liable for the tax upon receipt by him of such products and the transferor shall thereupon be relieved of his liability for the tax. When cigars and cigarettes are released in bond from customs custody for transfer to the bonded premises of a manufacturer of tobacco products, the transferee shall become liable for the tax on such products upon release from customs custody. Any person who possesses cigars or cigarettes in violation of section 5751(a) (1) or (2), I.R.C., shall be liable for a tax equal to the tax on such products.

(72 Stat. 1417, 1424; 26 U.S.C. 5703, 5751)

(G) Section 270.27 is amended to read:

§ 270.27 Assessment.

Whenever any person required by law to pay tax on cigars or cigarettes fails to pay such tax, the tax shall be ascertained and assessed against such person, subject to the limitations prescribed in section 6501, I.R.C. The tax so assessed shall be in addition to the penalties imposed by law for failure to pay such tax when required. Except in cases where delay may jeopardize collection of the tax, or where the amount is nominal or the result of an evident mathematical

error, no such assessment shall be made until and after notice has been afforded such person to show cause against assessment. The person will be allowed 45 days from the date of such notice to show cause, in writing, against such assessment.

(72 Stat. 1417; 26 U.S.C. 5703)

(H) Section 270.42 is amended to read:

§ 270.42 Authority of internal revenue officers to enter premises.

Any internal revenue officer may enter in the daytime any premises where cigars or cigarettes are produced or kept, so far as it may be necessary for the purpose of examining such products. When such premises are open at night, any internal revenue officer may enter them, while so open, in the performance of his official duties. The owner of such premises, or person having the superintendence of the same, who refuses to admit any internal revenue officer to permit him to examine such products shall be liable to the penalties prescribed by law for the offense.

(68A Stat. 872, 903; 26 U.S.C. 7342, 7606)

(I) Section 270.44 and the heading are amended to read:

§ 270.44 Disposal of forfeited, condemned, and abandoned cigars and cigarettes.

When any Federal, State, or local officer having custody of forfeited, condemned, or abandoned cigars or cigarettes, upon which the Federal tax has not been paid, is of the opinion that the sale thereof will not bring a price equal to the tax due and payable thereon, and the expenses incident to the sale thereof, he shall not sell, nor cause to be sold, such products for consumption in the United States. Where the products are not sold, the officer may deliver them to a Federal or State hospital or institution (if they are fit for consumption) or cause their destruction by burning completely or by rendering them unfit for consumption. Where such products are sold, they shall not be released by the officer having custody thereof until they are properly packaged and taxpaid, which tax shall be considered as a portion of the sales price. The payment of tax on such products shall be evidenced by presentation, to the officer having custody of the products, of a receipt from the district director showing such payment. In the case of such products held by or for the Federal Government, the sale thereof shall be subject to the applicable provisions of the Regulations of the General Services Administration, Title 1, Personal Property Management.

(72 Stat. 1425, as amended; 26 U.S.C. 5753)

(J) Section 270.61 is amended to read:

§ 270.61 Persons required to qualify.

Every person who produces cigars or cigarettes, except for his own personal consumption or use, shall qualify as a manufacturer of tobacco products in accordance with the provisions of this part.

(72 Stat. 1421, as amended; 26 U.S.C. 5711, 5712, 5713)

(K) Section 270.66 is amended to read:

§ 270.66 Bond.

Every person, before commencing business as a manufacturer of tobacco products, shall file, in connection with his application for permit, a bond on Form 3070, in duplicate, in accordance with the applicable provisions of Subpart G of this part, conditioned upon compliance with the provisions of Chapter 52, I.R.C., and regulations thereunder, including, but not limited to, the timely payment of taxes imposed by such chapter and penalties and interest in connection therewith for which he may become liable to the United States: *Provided*, That any person who, on the effective date of this part, October 1, 1961, has on file a valid and adequate bond, Form 2100, "Bond—Manufacturer of Cigars and Cigarettes," may continue, under such bond, the operations with respect to the permit to which that bond relates, in accordance with the provisions of this part.

(72 Stat. 1421, as amended; 26 U.S.C. 5711)

(L) Paragraph (c) of § 270.69 is amended to read:

§ 270.69 Factory premises.

* * * * *

(c) Where there is an adjoining retail store operated by the manufacturer in which cigars and cigarettes are sold—identify the factory and the retail store including any doors or other openings between the premises.

(72 Stat. 1421; 26 U.S.C. 5712)

(M) Section 270.71 and the heading are amended to read:

§ 270.71 Factories established prior to October 1, 1961.

Factories established prior to the effective date of this part, October 1, 1961, shall not be subject to the provisions of § 270.70 if, in the opinion of the assistant regional commissioner, the existing premises afford adequate protection to the revenue.

(72 Stat. 1421; 26 U.S.C. 5712)

(N) Section 270.72 is amended to read:

§ 270.72 Use of factory premises.

Unless otherwise authorized by the Director as provided in § 270.47, the factory premises shall be used exclusively for the purposes of manufacturing and storing cigars and cigarettes; storing materials, equipment, and supplies related thereto or used or useful in the conduct of the business; and carrying on activities in connection with the business of the manufacturer: *Provided*, That cigar and cigarette factories which, on December 31, 1965, are operating under permits also authorizing the manufacture and storage of smoking tobacco, chewing tobacco, and snuff, and which continue to maintain adequate records showing the date and total quantity, in pounds, of the tobacco received, shipped or delivered, lost, and destroyed, in respect of such operations, may be used for the manufacture and storage of smoking tobacco, chewing tobacco, and snuff (as well as cigars and cigarettes), on and after January 1, 1966, without application for authorization as prescribed in § 270.47.

(72 Stat. 1421; 26 U.S.C. 5712)

(O) Section 270.75 is amended to read:

§ 270.75 Issuance of permit.

If the application for permit, together with the bond and supporting documents, required under this part is approved by him, the assistant regional commissioner shall issue a permit on Form 2096 to the applicant as a manufacturer of tobacco products.

(72 Stat. 1421; 26 U.S.C. 5713)

(P) Section 270.104 is amended to read:

§ 270.104 Change in control of a corporation.

Where the issuance, sale, or transfer of the stock of a corporation, operating as a manufacturer of tobacco products, results in a change in the identity of the principal stockholders exercising actual or legal control of the operations of the corporation, the corporate manufacturer shall, within 30 days after the change occurs, make application on Form 2093 for a new permit. Otherwise, the present permit shall be automatically terminated at the expiration of such 30-day period, and the manufacturer shall dispose of all cigars and cigarettes on hand, in accordance with this part, make a concluding inventory and concluding report, in accordance with the provisions of § 270.201 and §270.202, respectively, and surrender his permit with such inventory and report. If the application for a new permit is timely made, the present permit shall continue in effect pending final action with respect to such application.

(72 Stat. 1421, 1422; 26 U.S.C. 5712, 5713, 5721, 5722)

(Q) Section 270.133 is amended to read:

§ 270.133 Amount of individual bond.

The amount of the bond of a manufacturer of tobacco products shall be not less than the total amount of tax liability on all cigars and cigarettes manufactured in his factory, received in bond from other factories and from export warehouses, and released to him in bond from customs custody, during any calendar month. Where the amount of any bond is no longer sufficient and the bond is in less than the maximum amount, the manufacturer shall immediately file a strengthening or superseding bond as required by this subpart. The amount of any such bond (or the total amount including strengthening bonds, if any) need not exceed $250,000 for a manufacturer producing or receiving cigarettes in bond; need not exceed $150,000 for

a manufacturer producing or receiving cigars in bond; and need not exceed $250,000 for a manufacturer producing or receiving both cigars and cigarettes in bond. The bond of a manufacturer of tobacco products shall in no case be less than $1,000.

(72 Stat. 1421, as amended; 26 U.S.C. 5711)

(R) Section 270.141 is amended to read:

§ 270.141 Extension of coverage for bond executed prior to June 24, 1959.

Every manufacturer of tobacco products who desires to remove cigars and cigarettes on determination of tax and before payment of tax shall, before such removal, have an approved extension of coverage of bond on Form 2105 on file with the assistant regional commissioner for every bond, Form 2100, executed prior to June 24, 1959, under which such removals are to be made. This extension of coverage shall be executed by the principal and the surety and shall be in the following form:

Whereas, the purpose of this extension is to bind the obligors for the payment of the tax on all tobacco products removed by the principal on determination of tax and before payment of the tax notwithstanding that the time for payment of tax may be deferred pursuant to a semimonthly return system as provided for by regulations.

Now, therefore, the above described bond is further specifically conditioned that the principal named therein shall pay all taxes (plus penalties, if any, and interest) for which he may become liable with respect to all tobacco products removed by him on determination of the tax and before payment of the tax thereon, and comply with all provisions of law and regulations with respect thereto.

The aforesaid terms and conditions shall, on and after the effective date, have the same force and effect as the other terms and conditions stated in the bond.

The extension of coverage of bond under this section is not required with respect to any bond executed on or after June 24, 1959.

(72 Stat. 1421, as amended; 26 U.S.C. 5711)

(S) The undesignated centerhead preceding § 270.161 is amended to read:

DETERMINATION AND PAYMENT OF TAXES ON CIGARS AND CIGARETTES

(T) Section 270.161 is amended to read:

§ 270.161 Determination of tax and method of payment.

Except for removals in bond and transfers in bond, as authorized by law, the taxes imposed on cigars and cigarettes by section 5701, I.R.C., shall be determined at the time of removal of such products and paid on the basis of a return, in accordance with the provisions of this part insofar as such provisions are not inconsistent with the provisions of Subpart E of Part 296 of this chapter (relating to return periods and times for filing).

(72 Stat. 1417; 26 U.S.C. 5703)

(U) Section 270.162 is amended to read:

§ 270.162 Semimonthly tax return.

Every manufacturer of tobacco products shall file, for each of his factories, a semimonthly tax return on Form 3071, in triplicate, with the district director of the internal revenue district in which the factory is located, for each and every return period, including any period during which a manufacturer begins or discontinues business. He shall file such return at the time specified in § 296.105 of this chapter, regardless of whether cigars and cigarettes are removed or whether tax is due for that particular return period: *Provided*, That where the manufacturer so requests by letter, in duplicate, and the assistant regional commissioner grants specific authorization, the manufacturer need not, during the term of such authorization, file a tax return for any period for which tax is not due or payable. The manufacturer shall show, on the return, his employer identification number as required by § 270.169, the kinds and quantities, and tax class in the case of large cigars, of cigars and cigarettes removed subject to tax during the semimonthly return period and the tax due thereon. The manufacturer shall serially number each return on Form 3071 commencing with the number "1" on the first return filed in any calendar year, and shall verify by a written declaration that the return is made under penalties of perjury. The manufacturer shall retain the receipted copy of each tax return transmitted to him by the district director. The payment of the tax with respect to cigars and cigarettes removed subject to tax may be deferred and paid on the basis of a semimonthly return filed not later than the third business day succeeding the last day of each return period as provided in § 296.105 of this chapter only if the manufacturer has on file a bond of sufficient amount executed on or after June 24, 1959, or, in the case of a bond of sufficient amount executed prior to such date, only if the manufacturer has filed the extension of coverage of bond as prescribed in § 270.141. Otherwise, the tax with respect to such removals shall be prepaid with the return, Form 2617, as provided in § 270.167, and the semimonthly return required in this section shall be filed showing such prepayment and the serial number(s) of the Form(s) 2617 filed during the return period. A manufacturer may qualify for extended deferral for the filing of the semimonthly return if he files a new bond or extension of coverage of his current bond as provided in § 296.106 of this chapter.

(72 Stat. 1417, 1423, as amended; 26 U.S.C. 5703, 5741)

(V) Section 270.166 is amended to read:

§ 270.166 Default, prepayment of tax required.

Where a check or money order tendered with any return, whether semimonthly or prepayment, for payment of tax on cigars or cigarettes is not paid on presentment, where a manufacturer fails to remit with the return the full amount of tax due thereunder, or where a manufacturer is otherwise in default in payment of tax on cigars or cigarettes under the internal revenue laws or this chapter, during the period of such default and until the assistant regional commissioner finds that the revenue will not be jeopardized by the deferred payment of tax pursuant to the provisions of this part, no cigars or cigarettes shall be removed subject to tax until the tax thereon has first been paid as provided in § 270.167. Any remittance made during the period of such default shall be in cash, or in the form of a certified, cashier's, or treasurer's check drawn on any bank or trust company incorporated under the laws of the United States, or under the laws of any State or possession of the United States, or a U.S. postal money order or other money order as defined in § 301.6311–1 of this chapter (Procedure and Administration—Payment by check or money order).

(68A Stat. 777, 72 Stat. 1417; 26 U.S.C. 6311, 5703)

(W) Section 270.167 is amended to read:

§ 270.167 Prepayment tax return.

To prepay the tax on cigars and cigarettes, a manufacturer shall file a prepayment tax return on Form 2617, in triplicate, with the district director of the internal revenue district in which the factory is located, showing the tax to be paid on the cigars and cigarettes prior to removal. The manufacturer shall serially number each return on Form 2617 commencing with the number "1" on the first return filed in any calendar year, show therein his employer identification number as required by § 270.169 and shall verify by a written declaration that the return is made under penalties of perjury. The return shall be filed with the district director prior to the removal of such products. The manufacturer shall retain the receipted copy of each prepayment return transmitted to him by the district director. A manufacturer prepaying the taxes on cigars and cigarettes under the provisions of this section shall continue to file semimonthly returns as required by § 270.162. Such semimonthly returns shall contain a statement, in Schedule B, that taxes have been prepaid by remittance with Form(s) 2617, and the statement shall indicate the serial number of Form(s) 2617 filed and the amount of taxes prepaid.

(72 Stat. 1417, 1423, as amended; 26 U.S.C. 5703, 5741)

(X) Section 270.168 is amended to read:

§ 270.168 Remittance with return.

The tax on cigars and cigarettes shown to be due and payable on any return shall be paid by remittance in full with the tax return. Such remittance may be in any form which the district director is authorized to accept under the provisions of § 301.6311–1 of this chapter (Procedure and Administration — Payment by check or money order) and which is acceptable to him, except as is otherwise specified in § 270.166. Checks and money orders shall be made payable to "Internal Revenue Service." In paying the tax, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

(68A Stat. 778, 72 Stat. 1417; 26 U.S.C. 6313, 5703)

(Y) Section 270.181 is amended to read:

§ 270.181 General.

Every manufacturer of tobacco products shall keep records of his operations and transactions which shall reflect, for each day, the information specified in §§ 270.182 and 270.183. For the aforesaid purpose "day" shall mean calendar day, except that the assistant regional commissioner may, upon application of the manufacturer by letter, in duplicate, authorize as such day for a factory a 24-hour cycle of operation other than the calendar day. A day once so established as other than the calendar day may be changed only by like application approved by the assistant regional commissioner. A manufacturer who maintains commercial records from which the required information may be readily ascertained may utilize such records for this purpose. Where a manufacturer does not maintain commercial records which adequately reflect the information required by this part concerning cigars and cigarettes, he shall keep a record on Form 3065 with respect to large cigars and on Form 3066 with respect to small cigars and large and small cigarettes. The manufacturer shall keep the auxiliary and supplemental records from which such records are compiled and shall keep supporting records, as specified in §§ 270.184 and 270.186, if cigars and cigarettes removed subject to tax and transferred in bond. Except as provided in §§ 270.184 and 270.186 the entries in the commercial or form records so maintained or kept shall be made not later than the close of the business day next following that on which the transactions occur. As used in this section the term "business day" shall mean any day other than Saturday, Sunday, a legal holiday in the District of Columbia, or a statewide legal holiday in the State wherein the factory to which the records relate is located.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(Z) Section 270.182 and the heading are amended to read:

§ 270.182 Record of tobacco.

The record of a manufacturer of tobacco products shall show the date and total quantity, in pounds, of all tobacco other than cigars and cigarettes:

(a) Received (including tobacco resulting from reduction of cigars and cigarettes), together with the name and address of the person from whom received;

(b) Shipped or delivered, together with the name and address of the person to whom shipped or delivered;

(c) Lost; and

(d) Destroyed.

(AA) Section 270.183 and the heading are amended to read:

§ 270.183 Record of cigars and cigarettes.

The record of a manufacturer of tobacco products shall show the date and total quantity of all cigars and cigarettes, by kind (small cigars—large cigars; small cigarettes—large cigarettes):

(a) Manufactured;

(b) Received in bond by—

(1) Transfer from other factories,

(2) Release from customs custody, and

(3) Transfer from export warehouses;

(c) Received by return to bond;

(d) Disclosed as an overage by inventory;

(e) Removed subject to tax (by class for large cigars);

(f) Removed, in bond, for—

(1) Export purposes,

(2) Use of the United States,

(3) Transfer to other factories,

(4) Experimental purposes off factory premises;

(g) Otherwise disposed of, without determination of tax, by—

(1) Consumption by employees on factory premises,

(2) Consumption by employees off factory premises, together with the number of employees to whom furnished,

(3) Use for experimental purposes on factory premises,

(4) Loss,

(5) Destruction, and

(6) Reduction to tobacco;

(h) Disclosed as a shortage by inventory; and

(i) On which the tax has been determined (by class for large cigars) and which are—

(1) Received, and

(2) Disposed of.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(BB) Section 270.184 is amended to read:

§ 270.184 Record in support of removals subject to tax.

Every manufacturer of tobacco products shall keep a supporting record of cigars and cigarettes removed from his factory subject to tax and shall make the entries therein at the time of removal. Such supporting record shall show, with respect to each removal, the date of removal, the name and address of the person to whom shipped or delivered, the kind and quantity of cigars or cigarettes, and in the case of large cigars the class: *Provided*, That where the cigars or cigarettes are delivered within the factory directly to the consumer the name and address of the person to whom delivered need not be shown. Where the manufacturer keeps, at the factory, copies of invoices or other commercial records containing the information required as to each removal, in such orderly manner that the information may be readily ascertained therefrom, such copies will be considered the supporting record required by this section. Such invoices or other commercial records which do not show specifically the tax classification of cigars or cigarettes will be acceptable if they contain adequate information to readily enable an internal revenue officer to ascertain therefrom the appropriate tax rate.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(CC) Section 270.186 is amended to read:

§ 270.186 Record in support of transfers in bond.

Every manufacturer of tobacco products shall keep a supporting record of cigars and cigarettes transferred in bond to or received in bond from other factories, and shall make the entries therein at the time of each receipt or removal of such products. Such supporting record shall show the date of receipt or removal, the name of the manufacturer and address of the factory from which received or to which removed or the permit number of such factory, and the kind and quantity of cigars or cigarettes. Where the manufacturer keeps, at the factory, copies of invoices or other commercial records containing the information required as to each receipt and removal, in such orderly manner that the information may be readily ascertained therefrom, such copies will be considered the supporting record required by this section.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(DD) Section 270.201 is amended to read:

§ 270.201 Inventories.

Every manufacturer of tobacco products shall make true and accurate inventories on Form 3067, which inventories shall include all cigars, cigarettes, and tobacco on hand required to be accounted for in the records kept under this part. The manufacturer shall make such an inventory at the time of commencing business, which shall be the effective date of the permit issued upon original qualification under this part; at the time of transferring ownership; at at the time of changing the location of his factory to a different region; at the time of concluding business; and at such other time as any internal revenue officer may require. Each inventory shall be prepared in duplicate, and shall be subject to verification by an internal revenue officer. The original of each such inventory shall be submitted to the assistant regional commissioner, and the duplicate shall be retained by the manufacturer.

(72 Stat. 1422, 1423, as amended; 26 U.S.C. 5721, 5741)

(EE) Section 270.202 is amended to read:

§ 270.202 Reports.

Every manufacturer of tobacco products shall make a report on Form 3068, in duplicate, for each month and for any portion of a month during which he engages in such business. Such report shall be made regardless of whether any operations or transactions occurred during the month or portion of a month covered therein. The report for a month or portion of a month in which business is commenced or is concluded shall be conspicuously marked "Commencing Report" or "Concluding Report," respectively. The original of the report shall be submitted to the assistant regional commissioner not later than the 20th day of the month succeeding the month covered therein, and the duplicate shall be retained by the manufacturer. Each report shall show, for the period covered, the total quantity of cigars and cigarettes:

(a) Manufactured,
(b) Received in bond,
(c) Received by return to bond,
(d) Disclosed by inventory as an overage,
(e) Removed subject to tax,
(f) Removed in bond,
(g) Otherwise disposed of without determination of tax,
(h) Disclosed by inventory as a shortage, and
(i) On hand, in bond, beginning of and end of month.

(72 Stat. 1422; 26 U.S.C. 5722)

(FF) Section 270.211 is amended to read:

§ 270.211 Package.

All cigars and cigarettes shall, before removal subject to tax, be put up by the manufacturer in packages which shall be of such construction as will securely contain the products therein and maintain the mark and the notice thereon as required by this part. No package of cigars or cigarettes shall have contained therein, attached thereto, or stamped, marked, written, or printed thereon (a) any certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event of a lottery, (b) any indecent or immoral picture, print, or representation, or (c) any statement or indication that United States tax has been paid.

(72 Stat. 1422; 26 U.S.C. 5723)

(GG) Section 270.212 is amended to read:

§ 270.212 Mark.

Every package of cigars or cigarettes packaged in a domestic factory shall, before removal subject to tax, have adequately imprinted thereon, or on a label securely affixed thereto, a mark as specified in this section. The mark may consist of the name of the manufacturer removing the product subject to tax and the location (by city and State) of the factory from which the products are to be so removed, or may consist of the permit number of the factory from which the products are to be so removed. (Any trade name of the manufacturer approved as provided in § 270.65 may be used in the mark as the name of the manufacturer.) As an alternative, where cigars or cigarettes are both packaged and removed subject to tax by the same manufacturer, either at the same or different factories, the mark may consist of the name of such manufacturer if the factory where packaged is identified on or in the package by a means approved by the Director. Before using the alternative, the manufacturer shall notify the Director in writing of the name to be used as the name of the manufacturer and the means to be used for identifying the factory where packaged. If approved by him the Director shall return approved copies of the notice to the manufacturer. A copy of the approved notice shall be retained as part of the factory records at each of the factories operated by the manufacturer.

(72 Stat. 1422; 26 U.S.C. 5723)

§ 270.213 [Deleted]

(HH) Section 270.213 is deleted.

(II) Section 270.214 is amended to read:

§ 270.214 Notice for cigars.

Every package of cigars shall, before removal subject to tax, have adequately imprinted thereon, or on a label securely affixed thereto, the designation "cigars," the quantity of such product contained therein, and the classification of the product for tax purposes, i.e., for small cigars, either "small" or "little," and for large cigars, the appropriate following class designation which corresponds with the rate of tax imposed by section 5701 (a) (2), I.R.C.:

(a) "A. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be not more than 2½ cents each";
(b) "B. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 2½ cents each and not more than 4 cents each";
(c) "C. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 4 cents each and not more than 6 cents each";
(d) "D. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 6 cents each and not more than 8 cents each";
(e) "E. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 8 cents each and not more than 15 cents each";
(f) "F. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 15 cents each and not more than 20 cents each"; or
(g) "G. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 20 cents each".

(72 Stat. 1422; 26 U.S.C. 5723)

§ 270.216 [Deleted]

(JJ) Section 270.216 is deleted.

(KK) Section 270.217 is amended to read:

§ 270.217 Repackaging.

Where a manufacturer of tobacco products desires to repackage, outside the factory, cigars or cigarettes on which the tax has been determined or which were removed for a tax-exempt purpose or transferred in bond to an export warehouse, or to repackage tax determined cigars and cigarettes in the factory, he shall make application for auhorization to do so, in duplicate, to the assistant regional commissioner for the region in which the products are to be repackaged. The application shall set forth the location and the number of packages, a description of the contents, the tax status of the cigars or cigarettes, the reason for wanting to repackage the products (e.g., packages soiled, damaged, or otherwise in a condition making the product unsalable), and a description of the package to be used for repackaging. The packages to be used must comply with the package, mark, and notice provisions of this chapter applicable to the cigars or cigarettes being repackaged. The operations authorized under this section are limited solely to repackaging for good cause by a manufacturer, pursuant to an approved application, of the specified cigars and cigarettes in the described pakages, and do not include any manufacturing processes. If the assistant regional commissioner approves the application, he may assign an internal revenue officer to supervise the repackaging or he may authorize the manufacturer to repackage the products without supervision by so stating on a copy of the application returned to the manufacturer. Where the manufacturer is authorized to repackage he shall record the date of repackaging on the approved application and retain it as part of his records.

(72 Stat. 1422; 26 U.S.C. 5723)

(LL) The undesignated centerhead which precedes § 270.231 is amended to read:

EXEMPTION FROM TAXES ON CIGARS AND CIGARETTES

(MM) Section 270.231 is amended to read:

§ 270.231 Consumption by employees.

A manufacturer of tobacco products may gratuitously furnish cigars and cigarettes, without determination and payment of tax, for personal consumption by employees in the factory in such quantities as desired. Each employee may also be gratuitously furnished by the manufacturer, for off-factory personal consumption, not more than 5 large cigars or cigarettes, 20 small cigars or cigarettes, or a proportionate quantity of each, without determination and

payment of tax, on each day the employee is at work. For the purpose of this section, the term "employee" shall mean those persons whose duties require their presence in the factory or whose duties relate to the manufacture, distribution, or sale of cigars and cigarettes and who receive compensation from the manufacturer, or a parent, subsidiary, or auxiliary company or corporation of the manufacturer. Such products furnished for off-factory consumption shall be furnished to the employee within the factory and taken from the factory by the employee on the day for which furnished. Employees shall not sell, offer for sale, or give away products so furnished to them.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(NN) Section 270.232 is amended to read:

§ 270.232 Experimental purposes.

A manufacturer of tobacco products may use cigars and cigarettes, without determination and payment of tax, for experimental (including testing) purposes in his factory, in such quantities as desired. When authorized by the assistant regional commissioner a manufacturer may also remove cigars and cigarettes, in bond, for experimental (including testing) purposes outside his factory. Removal of cigars and cigarettes under this section will be authorized only for bona fide experimental purposes, such as for use by producers of machines designed to package such products for testing and experimenting in the operation of these machines, or for use in laboratories, hospitals, medical centers, institutes, colleges, and universities, for scientific, technical, or medical research. Cigars and cigarettes may not be removed, under this section, for such purposes as advertising, salesmen's or customers' samples, or for consumer testing. An application to the assistant regional commissioner for authorization to remove cigars and cigarettes in bond for experimental purposes shall be by letter, in duplicate, and shall set forth the name and address of the consignee, the kind and quantity of cigars or cigarettes to be removed, and the intended use of the products. The manufacturer shall retain, as part of his records, each authorization of the assistant regional commissioner for such removal of cigars and cigarettes.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(OO) Section 270.233 is amended to read:

§ 270.233 Transfer in bond.

A manufacturer of tobacco products may transfer cigars or cigarettes, in bond, to the factory of any manufacturer of tobacco products. The transfer of cigars or cigarettes in bond to the premises of an export warehouse proprietor shall be in accordance with the provisions of Part 290 of this chapter.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(PP) Section 270.234 is amended to read:

§ 270.234 Removal for use of the United States.

The removal of cigars and cigarettes, in bond, for use of the United States, shall be in accordance with the provisions of Part 295 of this chapter.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(QQ) Section 270.235 is amended to read:

§ 270.235 Removal for export purposes.

The removal of cigars and cigarettes, in bond, for shipment to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, or for consumption beyond the jurisdiction of the internal revenue laws of the United States, shall be in accordance with the provisions of Part 290 of this chapter.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(RR) Section 270.236 is amended to read:

§ 270.236 Release from customs custody.

The release of cigars and cigarettes from customs custody, in bond, for transfer to the premises of a tobacco products factory, shall be in accordance with the provisions of Part 275 of this chapter.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(SS) The undesignated centerhead which precedes § 270.251 is amended to read:

OTHER PROVISIONS RELATING TO CIGARS AND CIGARETTES

(TT) Section 270.251 is amended to read:

§ 270.251 Emergency storage.

In case of emergency, the assistant regional commissioner may authorize, for a stated period, the temporary storage of cigars and cigarettes at a place outside the factory without the application for amended permit required under § 270.114, where such action will not hinder the effective administration of this part, is not contrary to law, and will not jeopardize the revenue. Application for authorization to so store cigars and cigarettes shall be submitted to the assistant regional commissioner by letter, in duplicate. All cigars and cigarettes so stored outside the factory shall be accounted for in the records and reports required under §§ 270.183 and 270.202 the same as products within the factory.

(72 Stat. 1422, 1423, as amended; 26 U.S.C. 5722, 5741)

(UU) Section 270.252 and the heading are amended to read:

§ 270.252 Reduction of cigars and cigarettes to tobacco.

A manufacturer may reduce cigars and cigarettes to tobacco without internal revenue supervision. If the cigars and cigarettes have been entered in the factory record as manufactured or received, an entry shall be made in such record of the kind and quantity of cigars or cigarettes reduced to tobacco and of the quantity of tobacco resulting from the reduction. Where the manufacturer intends to file claim for credit, allowance, or refund of tax on such cigars and cigarettes, he shall comply with the provisions of §§ 270.311 and 270.313.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(VV) Section 270.253 is amended to read:

§ 270.253 Destruction.

When a manufacturer of tobacco products desires to destroy cigars or cigarettes which have been entered in the factory record as manufactured or received, without salvaging the tobacco, he shall notify the assistant regional commissioner by letter, in duplicate, of the kind and quantity of cigars or cigarettes to be destroyed, the intended method of destruction, and the date on which he desires to destroy such products. The assistant regional commissioner may assign an internal revenue officer to supervise destruction of the cigars or cigarettes, or he may authorize the manufacturer to destroy such products without supervision by so stating on a copy of the manufacturer's notice returned to the manufacturer. When so authorized by the assistant regional commissioner, the manufacturer shall destroy the cigars or cigarettes by burning completely or by rendering them unfit for consumption. Upon completion of the destruction, the manufacturer shall make an entry of such destruction in his factory record, and where destruction without supervision is authorized, shall record the date and method of destruction on the notice returned to him by the assistant regional commissioner, which notice the manufacturer shall retain. Where the manufacturer intends to file claim for credit, allowance, or refund of tax on such products he shall comply with the provisions of §§ 270.311 and 270.313.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(WW) Section 270.254 is amended to read:

§ 270.254 Receipt into factory.

A manufacturer of tobacco products may receive in bond into his factory cigars and cigarettes and may also receive into his factory cigars and cigarettes on which the tax has been determined (including products on which the tax has been paid). Cigars and cigarettes on which the tax has been determined which are so received shall be segregated and identified as products on which the tax has been determined. If tax determined products received into the factory are so handled that they cannot be identified both physically and in the records as tax determined products they shall be accounted for as returned to bond and upon subsequent removal shall be tax determined. Where returned tax determined cigars and cigarettes are to be repackaged without being returned to bond the manufacturer shall make application for authorization to do so to the assistant regional com-

missioner in accordance with § 270.217. Where the manufacturer intends to file claim for credit, allowance, or refund of tax on tax determined products he shall comply with the provisions of §§ 270.311 and 270.313.

(XX) Section 270.255 is amended to read:

§ 270.255 Shortages and overages in inventory.

Whenever a manufacturer of tobacco products makes a physical inventory of packaged cigars and cigarettes in bond, either as part of normal operations or when required by an internal revenue officer, and such inventory discloses a shortage or overage in such products by kind as recorded and reported (i.e., small cigarettes, large cigarettes, small cigars or large cigars), the manufacturer shall enter such shortage or overage in the records required by § 270.183. Shortages or overages in inventories made at different times may not be used to offset each other, but shall be recorded and reported separately. Unless the manufacturer establishes that a shortage was not caused by a removal subject to tax the manufacturer shall determine the tax on any shortage, make an adjustment in Schedule A of his next semimonthly tax return, and pay the tax thereon. If, after paying the tax on a shortage, the manufacturer satisfactorily establishes that the shortage was not caused by a removal subject to tax, then such payment would be an overpayment of tax which the manufacturer may recover as provided in § 270.286. Where the manufacturer can establish, prior to paying the tax on a shortage, that the shortage was not the result of a removal subject to tax he shall submit an explanation of such shortage with his report for the month in which the shortage was disclosed and, if appropriate, he may file claim for remission of tax liability as provided in § 270.287. When an overage is disclosed which the manufacturer can explain, he shall include such explanation in his monthly report and refund of any overpayment may be recovered as provided in § 270.286. Whenever a physical inventory discloses a shortage or overage of cigars or cigarettes which have not been packaged the manufacturer shall appropriately enter such shortage or overage in his records and shall, at the time required by the assistant regional commissioner, furnish an explanation in the form of a claim for remission of tax liability as provided in § 270.287. The manufacturer shall pay the tax on any shortage or portion thereof for which he is unable to furnish an explanation acceptable to the assistant regional commissioner.

(68A Stat. 791, 72 Stat. 1417, 1419, as amended, 1423, as amended; 26 U.S.C. 6402, 5703, 5705, 5741)

§§ 270.261–270.266 [Deleted]

(YY) The undesignated centerhead "Tobacco Materials" and §§ 270.261 through 270.266 are deleted.

(ZZ) Section 270.281 is amended to read:

§ 270.281 Abatement of assessment.

A claim for abatement of the unpaid portion of the assessment of any tax on cigars and cigarettes, or any liability in respect thereof, may be allowed to the extent that such assessment is excessive in amount, is assessed after expiration of the applicable period of limitation, or is erroneously or illegally assessed. Any claim under this section shall be prepared on Form 843, in duplicate, and shall set forth the particulars under which the claim is filed. The original of the claim, accompanied by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid, shall be filed with the assistant regional commissioner for the region in which the tax or liability was assessed, and the duplicate of the claim shall be retained by the manufacturer.

(68A Stat. 792; 26 U.S.C. 6404)

(AAA) Section 270.282 is amended to read:

§ 270.282 Allowance of tax.

Relief from the payment of tax on cigars and cigarettes may be extended to a manufacturer by allowance of the tax, where the cigars and cigarettes, after removal from the factory upon determination of tax and prior to the payment of such tax, are lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, while in the possession or ownership of the manufacturer who removed such products, or are withdrawn by him from the market. Any claim for allowance under this section shall be filed on Form 2635, in triplicate, with the assistant regional commissioner for the region in which the products were removed, and shall show the date the cigars and cigarettes were removed from the factory. A claim relating to products lost or destroyed shall be supported as prescribed in § 270.301. In the case of a claim relating to cigars and cigarettes withdrawn from the market, the schedule, as provided in § 270.311, shall be filed with the assistant regional commissioner for the region in which the products are assembled. The manufacturer may not anticipate allowance of his claim by making the adjusting entry in a tax return pending consideration and action on the claim. Cigars and cigarettes to which such a claim relates must be shown to have been removed on determination of tax on the return covering the period during which such products were so removed. Upon action on the claim by the assistant regional commissioner he will return a copy of the Form 2635 to the manufacturer as notice of such action, which copy, with the copy of any verified supporting schedules, shall be retained by the manufacturer. When such notification of allowance of the claim or any part thereof is received prior to the time the return covering the tax on the cigars and cigarettes to which the claim relates is to be filed, the manufacturer may make an adjusting entry and explanatory statement in that tax return. Where the notice of allowance is received subsequent to the filing of the return and taxpayment of the cigars and cigarettes to which the claim relates, the manufacturer may make an adjusting entry and explanatory statement on the next subsequent tax return(s) to the extent necessary to take credit in the amount of the allowance.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(BBB) Section 270.283 is amended to read:

§ 270.283 Credit or refund of tax.

The taxes paid on cigars and cigarettes may be credited or refunded (without interest) to a manufacturer on proof satisfactory to the assistant regional commissioner that the claimant manufacturer has paid the tax on cigars and cigarettes lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, while in the possession or ownership of such manufacturer, or withdrawn by him from the market. Any claim for credit of tax under this section shall be prepared on Form 2635, in triplicate, and any claim for refund of tax under this section shall be prepared on Form 843, in duplicate, and shall include a statement that the tax imposed on cigars and cigarettes by Chapter 52, I.R.C., has been paid in respect to the cigars and cigarettes covered by the claim, and that the products were lost, destroyed, or withdrawn from the market, within 6 months preceding the date the claim is filed. A claim for credit or refund of tax relating to products lost or destroyed shall be supported as prescribed in § 270.301, and a claim relating to products withdrawn from the market shall be accompanied by a schedule prepared and verified as prescribed in §§ 270.311 and 270.313. The original and two copies of Form 2635, claim for credit, or the original Form 843, claim for refund, shall be filed with the assistant regional commissioner for the region in which the tax was paid, or where the tax was paid in more than one region, with the assistant regional commissioner for any one of the regions in which the tax was paid. Upon action by the assistant regional commissioner and a claim for credit of tax he will return a copy of the Form 2635 to the manufacturer as notification of allowance or disallowance of the claim or any part thereof, which copy, with the copy of any verified supporting schedules, shall be retained by the manufacturer. When the manufacturer is notified of allowance of the claim for credit of tax or any part thereof, he shall make an adjusting entry to the extent necessary to exhaust the credit and an explanatory statement on the next subsequent tax return(s) filed in the region in which credit was allowed. Prior to consideration and action on his claim, the manufacturer may not anticipate allowance of his claim by making the adjusting entry in a tax return. The duplicate of a claim for refund of tax, with the copy of any veri-

fied supporting schedules, shall be retained by the manufacturer.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(CCC) Section 270.284 is amended to read:

§ 270.284 Remission of tax liability.

Remission of the tax liability on cigars and cigarettes may be extended to the manufacturer liable for the tax where cigars and cigarettes in bond are lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, while in the possession or ownership of such manufacturer. Where cigars and cigarettes are so lost or destroyed the manufacturer shall report promptly such fact, and the circumstances, to the assistant regional commissioner for the region in which the factory is located, and shall prepare a claim on Form 2635, in triplicate, setting forth the nature, date, place, and extent of the loss or destruction. All copies of the claim, accompanied by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid, shall be filed with the assistant regional commissioner for the region in which the factory is located. Upon action on the claim by the assistant regional commissioner he will return a copy of the Form 2635 to the manufacturer as notice of such action, which copy shall be retained by the manufacturer.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(DDD) Section 270.286 is amended to read:

§ 270.286 Refund of overpayment.

Where an error in computation of the quantity of cigars or cigarettes or in computation of the amount of tax due results in an overpayment and such error is specifically identified and supported by records, the manufacturer may file claim for refund or may make an adjustment in his semimonthly tax return as provided in § 270.164. (Section 6511, I.R.C., provides that, in most cases, any adjustment or claim for refund of an overpayment of tax on cigars and cigarettes must be made or filed within 3 years after the tax was paid.) If the manufacturer elects to file a claim for refund of an overpayment resulting from such a computational error, he shall do so on Form 843, in duplicate. The original shall be filed with the assistant regional commissioner for the region in which the tax was paid, and the duplicate retained by the manufacturer. Where an overpayment of tax on cigars and cigarettes results from other than a computational error any claim for refund or credit shall be made in accordance with Subpart A of Part 296 of this chapter.

(68A Stat. 791, 72 Stat. 9; 26 U.S.C. 6402, 6423)

(EEE) Section 270.287 is amended to read:

§ 270.287 Remission of tax liability on shortage.

Whenever a manufacturer of tobacco products desires to submit a claim for remission of tax liability on shortages of cigars and cigarettes in bond, disclosed by physical inventory as set forth in § 270.255, he shall prepare such claim on Form 2635, in triplicate. All copies of the claim shall be filed with the assistant regional commissioner for the region in which the factory is located. The claim shall specify the quantities of cigars and cigarettes on which claim is made and the tax liability in respect thereof, and shall set forth the circumstances surrounding the shortage and the reason the manufacturer believes tax is not due or payable. The assistant regional commissioner will, after such investigation as he deems appropriate, allow the claim to the extent that he is satisfied the shortage was due to operating losses such as damage during grading, sorting, or packaging, and was not caused by theft or other unlawful or improper removal. Upon action on the claim by the assistant regional commissioner he will return a copy of the Form 2635 to the manufacturer as notice of such action, which copy shall be retained by the manufacturer.

(72 Stat. 1414, as amended, 1417, 1419, as amended; 26 U.S.C. 5701, 5703, 5705)

(FFF) The undesignated centerhead which precedes § 270.301 is amended to read:

CIGARS AND CIGARETTES LOST OR DESTROYED

(GGG) Section 270.301 is amended to read:

§ 270.301 Action by claimant.

Where cigars and cigarettes are lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, and the manufacturer desires to file a claim for the tax on such products under the provisions of § 270.282 or § 270.283, he shall indicate on the claim the nature, date, place, and extent of such loss or destruction. The claim shall be accompanied by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(HHH) The undesignated centerhead which precedes § 270.311 is amended to read:

CIGARS AND CIGARETTES WITHDRAWN FROM THE MARKET

(III) Section 270.311 is amended to read:

§ 270.311 Action by claimant.

Where cigars and cigarettes are withdrawn from the market and the manufacturer desires to file claim under the provisions of § 270.282 or § 270.283, he shall assemble the products in or adjacent to a factory if they are to be returned to bond or at any suitable place if they are to be destroyed or reduced to tobacco. The manufacturer shall group the products according to the rate of tax applicable thereto, and shall prepare a schedule of the products, on Form 3069, in triplicate. All copies of the schedule shall be forwarded to the assistant regional commissioner for the region in which the products are assembled.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(JJJ) Section 270.312 is amended to read:

§ 270.312 Action by assistant regional commissioner.

Upon receipt of a schedule of cigars and cigarettes withdrawn from the market, the assistant regional commissioner may assign an internal revenue officer to verify the schedule and supervise disposition of the cigars and cigarettes (and destruction of the stamps, if any), or he may authorize the manufacturer to dispose of the products (and destroy the stamps, if any) without supervision by so stating on the original and one copy of the schedule returned to the manufacturer.

(KKK) Section 270.313 and the heading are amended to read:

§ 270.313 Disposition of cigars and cigarettes and schedule.

When so authorized, as evidenced by the assistant regional commissioner's statement on the schedule, the manufacturer shall dispose of the cigars and cigarettes (and destroy the stamps, if any) as specified in the schedule. After the manufacturer has disposed of the products (and destroyed the stamps, if any), he shall execute a certificate on both copies of the schedule returned to him by the assistant regional commissioner, to show the disposition and the date of disposition of the products (and stamps, if any). In connection with a claim for allowance the manufacturer then shall return the original of the schedule to the assistant regional commissioner who authorized such disposition, who will cause such schedule to be associated with the claim, Form 2635, filed under § 270.282. In connection with a claim for credit or refund the manufacturer shall attach the original of the schedule to his claim for credit, Form 2635, or claim for refund, Form 843, filed under § 270.283. When an internal revenue officer is assigned to verify the schedule and supervise disposition of the cigars and cigarettes, such officer shall, upon completion of his assignment, execute a certificate on all copies of the schedule to show the disposition and the date of disposition of the products. In connection with a claim for allowance the officer shall return one copy of the schedule to the manufacturer for his records, and in connection with a claim for credit or refund, the officer shall return the original and one copy of the schedule to the manufacturer, the original of which the manufacturer shall attach to his claim filed under § 270.283.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(LLL) Section 270.331 is amended to read:

§ 270.331 Discontinuance of operations.

Every manufacturer of tobacco products who desires to discontinue operations under this part shall dispose of all cigars and cigarettes on hand, in accordance with this part, and make a concluding inventory and concluding report in accordance with the provisions of § 270.201 and § 270.202, respectively. The manufacturer shall surrender his permit, with such inventory and report, to the assistant regional commissioner as notice of such discontinuance. The assistant regional commissioner may then terminate the liability of the surety on the bond of the manufacturer.

(72 Stat. 1422; 26 U.S.C. 5721, 5722)

PART 275—IMPORTATION OF CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES

PAR. 2. Title 26 CFR Part 275 is amended by eliminating all provisions relating to manufactured tobacco and to tobacco materials; by referring to cigars and cigarettes rather than to tobacco products, except where the reference is to a holder of a permit as a manufacturer of tobacco products; by deleting the obsolete provisions relating to the redemption of stamps; and by making necessary conforming changes. The amendments are as follows:

(A) The title of 26 CFR Part 275 is amended to read: "Part 275—Importation of Cigars, Cigarettes, and Cigarette Papers and Tubes."

(B) Section 275.1 and the heading are amended to read:

§ 275.1 Importation of cigars, cigarettes, and cigarette papers and tubes.

This part contains the regulations relating to cigars, cigarettes, and cigarette papers and tubes, imported into the United States from a foreign country or brought into the United States from Puerto Rico, the Virgin Islands, or a possession of the United States; the removal of cigars from a customs bonded manufacturing warehouse, class 6; and the release of cigars, cigarettes, and cigarette papers and tubes from customs custody, without payment of internal revenue tax or customs duty attributable to the internal revenue tax.

(C) Section 275.11 is amended to delete definitions of "Dealer in tobacco materials," "Manufactured tobacco," "Stems," "Tobacco materials," and "Waste," and to change the following definitions to read:

§ 275.11 Meaning of terms.

* * * * *

Bonded manufacturer. A manufacturer of cigars or cigarettes in Puerto Rico who has an approved bond, in accordance with the provisions of this part, authorizing him to defer the payment in Puerto Rico of the internal revenue tax imposed on such products by section 7652(a), I.R.C., as provided in this part.

* * * * *

Computation or computed. When used with respect to the tax on cigars and cigarettes of Puerto Rican manufacture, computation or computed shall mean that the bonded manufacturer has ascertained the quantity and kind (small cigars, large cigars, small cigarettes, large cigarettes) of cigars and cigarettes and class of large cigars being shipped to the United States, that the payment, in Puerto Rico, of the tax on such products is to be deferred under Subpart G of this part, that the tax imposed on such products by section 7652(a), I.R.C., has been calculated, that the bonded manufacturer has executed an agreement to pay the internal revenue tax which will become due with respect to such products, as provided in this part, and that an internal revenue officer has verified and executed a certification of such calculation.

Determined or determination. When used with respect to the internal revenue tax on cigars, cigarettes, and cigarette papers and tubes, determined or determination shall mean that the quantity and kind (small cigars, large cigars, small cigarettes, large cigarettes) of cigars and cigarettes and class of large cigars, or the number of books or sets of cigarette papers of each different numerical content, or the number of cigarette tubes, to be removed subject to internal revenue tax, has been established as prescribed by this part so that the internal revenue tax payable with respect thereto may be calculated.

* * * * *

Factory. The premises of a manufacturer of cigars, cigarettes, or cigarette papers or tubes in which he carries on such business.

Importer. Any person in the United States to whom nontaxpaid cigars, cigarette papers or tubes manufactured in a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States are shipped or consigned; any person who removes cigars for sale or consumption in the United States from a customs bonded manufacturing warehouse; and any person who smuggles or otherwise unlawfully brings cigars, cigarettes, or cigarette papers or tubes into the United States.

* * * * *

Manufacturer of tobacco products. Any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

* * * * *

Package. The container in which cigars, cigarettes, or cigarette papers or tubes are put up by the manufacturer or the importer and offered for sale or delivery to the consumer.

* * * * *

Removal or remove. The removal of cigars, cigarettes, or cigarette papers or tubes from the factory or release from customs custody, including the smuggling or other unlawful importation of such articles into the United States.

* * * * *

Tobacco products. Cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

(D) Section 275.23 is amended to read:

§ 275.23 Authority of internal revenue officers to enter premises.

Any internal revenue officer may enter in the daytime any premises where cigars, cigarettes, or cigarette papers or tubes are produced or kept so far as it may be necessary for the purpose of examining such articles. When such premises are open at night, any internal revenue officer may enter them, while so open, in the performance of his official duties. The owner of such premises, or person having the superintendence of the same, who refuses to admit any internal revenue officer or permit him to examine such articles shall be liable to the penalties prescribed by law for the offense.

(68A Stat. 872, 903; 26 U.S.C. 7342, 7606)

(E) Section 275.25 and the heading are amended to read:

§ 275.25 Disposal of forfeited, condemned, and abandoned cigars, cigarettes, and cigarette papers and tubes.

When any Federal, State, or local officer having custody of forfeited, condemned, or abandoned cigars, cigarettes, or cigarette papers or tubes, upon which the Federal tax has not been paid, is of the opinion that the sale thereof will not bring a price equal to the tax due and payable thereon, and the expenses incident to the sale thereof, he shall not sell, nor cause to be sold, such articles for consumption in the United States. Where the articles are not sold, the officer may deliver them to a Federal or State hospital or institution (if they are fit for consumption) or cause their destruction by burning completely or by rendering them unfit for consumption. Where such articles are sold, they shall not be released by the officer having custody thereof until they are properly packaged and taxpaid, which tax shall be considered as a portion of the sales price. Except where the tax is to be paid to collectors of customs in accordance with Part 20, Customs Regulations (19 CFR Part 20), on sales of articles by customs officers, the payment of tax on such articles shall be evidenced by presentation, to the officer having custody of the articles, of a receipt from the district director showing such payment. In the case of such articles held by or for the Federal Government, the sale

thereof shall be subject to the applicable provisions of the Regulations of the General Services Administration, Title 1, Personal Property Management.

(72 Stat. 1425, as amended; 26 U.S.C. 5753)

§ 275.33 [Deleted]

(F) Section 275.33 is deleted.

(G) Section 275.37 is amended to read:

§ 275.37 Large cigars.

Large cigars are divided into seven classes, for internal revenue tax purposes, corresponding with the rates of tax imposed by section 5701(a)(2), I.R.C., and based on the retail price intended by the importer for such cigars. The classes are designated, from the lowest to the highest rate of tax, as Class A, Class B, Class C, Class D, Class E, Class F, and Class G, respectively. In establishing the retail price, for tax purposes, regard shall be had to the ordinary retail price of a single cigar in its principal market, exclusive of any State or local taxes imposed on cigars as a commodity. Where there is more than one price for the same cigar in its principal market, the tax to be paid shall be determined, at the time of removal, according to the price at which the majority are sold therein. Subsequent retail sale at a price in excess of the maximum for the class at which taxpaid will not, in itself, cause the importer to incur any additional tax liability.

(72 Stat. 1414, as amended; 26 U.S.C. 5701)

(H) Section 275.40 is amended to read:

§ 275.40 Persons liable for tax.

The importer of cigars, cigarettes, and cigarette papers and tubes shall be liable for the internal revenue taxes imposed thereon by section 5701 or 7652, I.R.C.: *Provided*, That when cigars, cigarettes, or cigarette papers or tubes are released in bond from customs custody for transfer to the bonded premises of a manufacturer of tobacco products or of a manufacturer of cigarette papers and tubes, the transferee shall become liable for the internal revenue tax on such articles upon release from customs custody and the importer shall thereupon be relieved of his liability for such tax.

(68A Stat. 907, as amended, 72 Stat. 1417; 26 U.S.C. 7652, 5703)

(I) Section 275.41 is amended to read:

§ 275.41 Determination of tax and method of payment.

Cigars, cigarettes, and cigarette papers and tubes, imported or brought into the United States, on which internal revenue taxes are due and payable, shall not be released from customs custody until such taxes have been determined and paid. The taxes on such articles which are determined to be due shall be paid on the basis of a return in accordance with the provisions of this part.

(68 Stat. 907, as amended, 72 Stat. 1417; 26 U.S.C. 7652, 5703)

(J) Section 275.50 is amended to read:

§ 275.50 Exemptions.

The Tariff Schedules of the United States (19 U.S.C. 1202) and Customs Regulations, 19 CFR, Chapter I, provide for certain exemptions from internal revenue taxes with respect to cigars, cigarettes, and cigarette papers and tubes imported into the United States. These exemptions include, but are not limited to, certain importations in passengers' baggage, for use of crew members, and by foreign officials.

(K) Section 275.60 is amended to read:

§ 275.60 Assessment.

Whenever any person required by law to pay internal revenue tax on cigars, cigarettes, or cigarette papers or tubes fails to pay such tax, the tax shall be ascertained and assessed against such person, subject to the limitations prescribed in section 6501, I.R.C. The tax so assessed shall be in addition to the penalties imposed by law for failure to pay such tax when required. Except in cases where delay may jeopardize collection of the tax, or where the amount is nominal or the result of an evident mathematical error, no such assessment shall be made until and after notice has been afforded such person to show cause against assessment. The person will be allowed 45 days from the date of such notice to show cause, in writing, against such assessment.

(72 Stat. 1417; 26 U.S.C. 5703)

(L) Section 275.62 and the heading are amended to read:

§ 275.62 Customs' collection of internal revenue taxes on cigars, cigarettes, and cigarette papers and tubes, imported or brought into the United States.

Internal revenue taxes on cigars, cigarettes, and cigarette papers and tubes, imported or brought into the United States, which are to be paid to a collector of customs, in accordance with this part, shall be collected, accounted for, and deposited as internal revenue collections by the collector of customs, in accordance with customs procedures and regulations: *Provided*, That the collector of customs shall deposit the taxes collected on cigars, cigarettes, and cigarette papers and tubes brought into the United States from Puerto Rico or the Virgin Islands in the internal revenue account designated for the deposit of taxes collected on articles of Puerto Rican manufacture, or the deposit of taxes collected on articles coming from the Virgin Islands, as the case may be.

(M) Section 275.71 is amended to read:

§ 275.71 Package.

All cigars, cigarettes, and cigarette papers and tubes, except as provided in § 275.75, shall, before removal subject to internal revenue tax, be put up in packages which shall be of such construction as will securely contain the articles therein and maintain the notice thereon as required by this subpart. No package of cigars, cigarettes, or cigarette papers or tubes shall have contained in, attached to, or stamped, marked, written, or printed thereon (a) any certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event of a lottery, (b) any indecent or immoral picture, print, or representation, or (c) any statement or indication that United States tax has been paid.

(72 Stat. 1422; 26 U.S.C. 5723)

§ 275.72 [Deleted]

(N) Section 275.72 is deleted.

(O) Section 275.73 is amended to read:

§ 275.73 Notice for cigars.

Every package of cigars, except as provided in § 275.75, shall, before removal subject to internal revenue tax, have adequately imprinted thereon, or on a label securely affixed thereto, the designation "cigars," the quantity of such product contained therein, and the classification of the product for tax purposes, i.e., for small cigars, either "small" or "little," and for large cigars, the appropriate following class designation corresponding with the rate of tax imposed by section 5701(a)(2), I.R.C.:

(a) "A. The ordinary retail price of the cigars herein contained is intended by the importer to be not more than 2½ cents each";

(b) "B. The ordinary retail price of the cigars herein contained is intended by the importer to be more than 2½ cents each and not more than 4 cents each";

(c) "C. The ordinary retail price of the cigars herein contained is intended by the importer to be more than 4 cents each and not more than 6 cents each";

(d) "D. The ordinary retail price of the cigars herein contained is intended by the importer to be more than 6 cents each and not more than 8 cents each";

(e) "E. The ordinary retail price of the cigars herein contained is intended by the importer to be more than 8 cents each and not more than 15 cents each";

(f) "F. The ordinary retail price of the cigars herein contained is intended by the importer to be more than 15 cents each and not more than 20 cents each"; or

(g) "G. The ordinary retail price of the cigars herein contained is intended by the importer to be more than 20 cents each."

(72 Stat. 1422; 26 U.S.C. 5723)

(P) Section 275.75 is amended to read:

§ 275.75 Exemptions.

The provisions of this subpart requiring that cigars, cigarettes, and cigarette papers and tubes be put up in packages and that proper notice be placed on such packages shall not apply to imported cigars, cigarettes, and cigarette papers and tubes authorized to be released from customs custody, without payment of internal revenue tax, pursuant to § 275.-50, and shall not apply to cigars and cigarettes imported in passengers' baggage, or by mail where the value does not exceed $250, where such products are solely for the personal consumption of the importer or for disposition as his bona fide gift.

(72 Stat. 1422; 26 U.S.C. 5723)

(Q) The heading of Subpart F is amended to read:

Subpart F—Cigars, Cigarettes, and Cigarette Papers and Tubes, Imported Into or Returned to the United States

(R) Section 275.81 is amended to read:

§ 275.81 Taxpayment.

Except as otherwise provided in this part, any internal revenue tax payable on cigars, cigarettes, and cigarette papers and tubes, imported into the United States from a foreign country or brought into the United States from Puerto Rico, the Virgin Islands, or a possession of the United States, shall be determined and paid to the collector of customs before removal on the basis of a return made on the customs form by which release from customs custody is to be effected. There shall be set forth on such customs form at the time of entry for consumption or for warehousing and at the time of withdrawal from warehouse for consumption, in addition to any information required for customs purposes, the quantity and kind of cigars and cigarettes and class of large cigars, or the number of books or sets of cigarette papers of each different numerical content, or the number of cigarette tubes, to be removed on payment of tax, the applicable rate of tax, and the amount of tax due, substantially in the form as shown in the example below:

Quantity	Article and tax class	Rate of tax	Amount
20,000	Small cigars	$0.75 per thousand.	$15.00
5,000	Large cigars—Class D.	$7 per thousand.	35.00
1,000	Large cigars—Class E.	$10 per thousand.	10.00
500	Large cigars—Class G.	$20 per thousand.	10.00
10,000	Small cigarettes	$4 per thousand.	40.00
5,000	Large cigarettes	$8.40 per thousand.	42.00
2,000 sets	Cigarette papers, 50 each set.	$0.005 per set	10.00
1,000 sets	Cigarette papers, 100 each set.	$0.01 per set	10.00
1,000	Cigarette tubes	$0.01 per 50 tubes.	.20
Total			172.20

An extra copy of the customs form shall be prepared by the importer, marked "For internal revenue purposes," and filed with the collector of customs who will transmit it to the assistant regional commissioner of the region wherein the customs collection headquarters is located. (For provisions relating to the prepayment or deferred payment of internal revenue tax in Puerto Rico on cigars, cigarettes, and cigarette papers and tubes brought into the United States, see Subpart G of this part.)

(68A Stat. 907, as amended, 72 Stat. 1417; 26 U.S.C. 7652, 5703)

(S) The undesignated centerhead which precedes § 275.85 is amended to read:

RELEASE FROM CUSTOMS CUSTODY OF CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES WITHOUT PAYMENT OF TAX OR CERTAIN DUTY

(T) Section 275.85 is amended to read:

§ 275.85 Release from customs custody of imported articles.

Cigars and cigarettes manufactured in a foreign country, the Virgin Islands, or a possession of the United States may be released by the collector of customs from customs custody, without payment of internal revenue tax, for transfer to the factory of a manufacturer of tobacco products under the bond of such manufacturer. Cigarette papers and tubes manufactured in a foreign country, the Virgin Islands, or a possession of the United States may be released by the collector of customs from customs custody, without payment of internal revenue tax, for transfer, under the bond of the manufacturer to whom such articles are released, to the factory of (a) a manufacturer of cigarette papers and tubes; or (b) a manufacturer of tobacco products solely for use in the manufacture of cigarettes. Releases under this section shall be in accordance with § 275.86: *Provided, however*, That a manufacturer of tobacco products or a manufacturer of cigarette papers and tubes who desires to obtain the release of Virgin Islands cigars, cigarettes, or cigarette papers or tubes from customs custody, without payment of internal revenue tax, under his bond, shall, in addition, file an extension of coverage of his bond on Form 2105 in the same manner and form as prescribed for Puerto Rican articles in § 275.136. Articles received into the factory of a manufacturer under the provisions of this section are subject to the provisions of Part 270 and Part 285 of this chapter. (For provisions relating to release of Puerto Rican cigars, cigarettes, and cigarette papers and tubes from customs custody, without payment of internal revenue tax, see Subpart G of this part.)

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(U) Section 275.85a is amended to read:

§ 275.85a Release from customs custody of returned articles.

Domestically produced cigars and cigarettes (classifiable under item 804.00 of the Tariff Schedules of the United States, 19 U.S.C. 1202) exported from and returned unchanged to the United States may if entered, or withdrawn from warehouse, for consumption after June 30, 1964, be released from customs custody without payment of that part of the duty attributable to the internal revenue tax for delivery to the factory of a manufacturer of tobacco products under his bond. Domestically produced cigarette papers and tubes (classifiable under item 804.00 of the Tariff Schedules of the United States, 19 U.S.C. 1202) exported from and returned unchanged to the United States may if entered, or withdrawn from warehouse, for consumption after June 30, 1964, be released from customs custody without payment of that part of the duty attributable to the internal revenue tax for delivery, under the bond of the manufacturer to whom such articles are released, to the factory of (a) a manufacturer of cigarette papers and tubes; or (b) a manufacturer of tobacco products solely for use in the manufacture of cigarettes. Releases under this section shall be in accordance with the procedures set forth in § 275.86. Upon such release, the cigars, cigarettes, and cigarette papers and tubes shall be subject to the tax and all other provisions of Chapter 52, I.R.C., and, as applicable, subject to the provisions of the regulations in Part 270 or Part 285 of this chapter as if they had not been exported or otherwise removed from internal revenue bond.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(V) Section 275.86 is amended to read:

§ 275.86 Procedure for release.

Every manufacturer of tobacco products and cigarette papers and tubes who desires to obtain the release of cigars, cigarettes, and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, as provided in § 275.85, shall prepare a notice of release, Form 2145, in triplicate, and file the three copies of the form with the assistant regional commissioner for the region wherein the manufacturer is located. The assistant regional commissioner will not certify Form 2145 covering the release of cigars, cigarettes, and cigarette papers and tubes unless the manufacturer is authorized, under Parts 270 and 285 of this chapter, to receive, without payment of tax, the kinds of articles set forth in the form. After certification by the assistant regional commissioner, all copies shall be presented by the manufacturer to the collector of customs having custody of the cigars, cigarettes, and cigarette papers and tubes prior to release thereof. The collector of customs may release such articles upon completion of the notice of release and, after release, he will retain one copy of the form, transmit one copy to the assistant regional commissioner shown thereon, and return one copy to the manufacturer, which shall be retained by the manufacturer.

(72 Stat. 1418, as amended, 1423, as amended; 26 U.S.C. 5704, 5741)

§§ 275.90, 275.91 [Deleted]

(W) The undesignated centerhead "Release of Tobacco Materials From Customs Custody, Without Payment of Tax" and §§ 275.90 and 275.91 are deleted.

(X) The heading of Subpart G is amended to read:

Subpart G—Puerto Rican Cigars, Cigarettes, and Cigarette Papers and Tubes, Brought Into the United States

(Y) Section 275.101 is amended to read:

§ 275.101 General.

Cigars, cigarettes, and cigarette papers and tubes manufactured in Puerto Rico which are brought into the United States and withdrawn for consumption or sale are subject to the tax imposed by section 7652(a), I.R.C., at the rates set forth in section 5701, I.R.C. All United States internal revenue taxes collected on such cigars, cigarettes, and cigarette papers and tubes are, pursuant to section 7652(a)(3), I.R.C., covered into the Treasury of Puerto Rico. This internal revenue tax on cigars, cigarettes, and cigarette papers and tubes of Puerto Rican manufacture may be prepaid in Puerto Rico prior to shipment of such articles to the United States in accordance with § 275.105, or in the case of cigars and cigarettes such tax may be paid in Puerto Rico on the basis of a semimonthly return in accordance with the applicable provisions of this subpart. Cigars and cigarettes may also be shipped to the United States and released from customs custody, without payment of internal revenue tax, for transfer to the factory of a manufacturer of tobacco products under the bond of such manufacturer in accordance with § 275.135; and cigarette papers and tubes may be similarly shipped and released from customs custody for transfer to the factory of (a) a manufacturer of cigarette papers and tubes, or (b) a manufacturer of tobacco products solely for use in the manufacture of cigarettes, under the bond of the manufacturer to whom such articles are released, in accordance with § 275.135. Cigars, cigarettes, and cigarette papers and tubes of Puerto Rican manufacture on which the internal revenue tax has not been paid or computed in Puerto Rico and which are not to be released from customs custody, without payment of internal revenue tax, under bond, shall not be withdrawn from customs custody until internal revenue tax thereon has been paid in accordance with § 275.81.

(68A Stat. 907, as amended, 72 Stat. 1417, 1418, as amended; 26 U.S.C. 7652, 5703, 5704)

(Z) The undesignated centerhead which precedes § 275.105 is amended to read:

PREPAYMENT OF TAX IN PUERTO RICO ON CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES

(AA) Section 275.105 is amended to read:

§ 275.105 Prepayment of tax.

To prepay, in Puerto Rico, the internal revenue tax imposed by section 7652(a), I.R.C., on cigars, cigarettes, and cigarette papers and tubes of Puerto Rican manufacture which are to be shipped to the United States, the shipper shall file, or cause to be filed, with the Officer-in-Charge, a tax return, Form 3073, in triplicate, with full remittance of tax which will become due on such cigars, cigarettes, or cigarette papers or tubes. The Officer-in-Charge will present a receipted copy of the return to the person filing the return and paying the tax, retain one copy, and forward the remaining copy to the Assistant Regional Commissioner, Alcohol and Tobacco Tax, New York, N.Y. The person who filed the return and prepaid the tax shall present the receipted copy of the return to the internal revenue officer assigned by the Supervisor in Charge, Alcohol and Tobacco Tax, Puerto Rico, to inspect the cigars, cigarettes, or cigarette papers or tubes to be shipped to the United States. Such officer will endorse the receipted copy of the return to show release of the cigars, cigarettes, or cigarette papers or tubes, or, if less than the quantity of cigars, cigarettes, or cigarette papers or tubes covered by the return is released, to show the quantity and kind of cigars and cigarettes and class of large cigars, or the number of books or sets of cigarette papers of each different numerical content, or the number of cigarette tubes, in fact released and will return such copy to the taxpayer.

(68A Stat. 907, as amended, 72 Stat. 1417; 26 U.S.C. 7652, 5703)

(BB) Section 275.106 is amended to read:

§ 275.106 Inspection of shipment and certification of prepayment by internal revenue officer.

The internal revenue officer, assigned to inspect Puerto Rican cigars, cigarettes, and cigarette papers and tubes to be shipped to the United States in accordance with § 275.105, will prepare, for each shipping container, a statement on Form 3074 that the tax has been prepaid, and show the name and address of the shipper, date of prepayment, and the quantity and kind of cigars and cigarettes and class of large cigars, or the number of books or sets of cigarette papers of each different numerical content, or the number of cigarette tubes. The shipper shall affix the completed Form 3074 to the outside of each shipping container in which the articles are packed. Such statement, Form 3074, shall be affixed to the outer container used in the shipment of freight in bulk (crate, packing box, van, trailer, etc.) and not on the individual cartons, cases, etc., included in such outer container. In addition, such officer will prepare Form 3075, in quintuplicate, identifying the cigars, cigarettes, and cigarette papers and tubes released in each shipment and certifying that the tax has been prepaid thereon, and will (a) present one copy to the taxpayer for attachment to the bill of lading to accompany the shipment (in custody of the carrier) for presentation to the collector of customs at the port of entry; (b) promptly mail two copies to the collector of customs at the port of entry; (c) mail one copy to the assistant regional commissioner of the region wherein the customs collection headquarters is located; and (d) retain the remaining copy. Noncommercial mail shipments of cigars, cigarettes, and cigarette papers and tubes to the United States are exempt from the provisions of this section, except that the internal revenue officer in Puerto Rico receiving a payment of internal revenue tax on mail shipments of such articles will prepare a certificate to be affixed to the container stating that the United States internal revenue tax has been prepaid on the articles contained therein.

(CC) Section 275.107 is amended to read:

§ 275.107 Procedure at port of entry.

The collector of customs at the port of entry will inspect the shipment to determine whether the quantity specified on the Form 3075 is contained in the shipment. He will then execute his certificate on the three copies of the Form 3075, in his possession, and indicate on each copy any exceptions found at the time of release. The statement of exceptions shall identify each shipping container which sustained a loss, the cigars, cigarettes, or cigarette papers or tubes reported shipped in such container, and the cigars, cigarettes, or cigarette papers or tubes lost from such container. Losses occurring as the result of missing packages, cases, or shipping containers shall be listed separately from losses caused by damage. Where the statement is made on the basis of cigars, cigarettes, or cigarette papers or tubes missing or damaged, the quantity and kind of cigars and cigarettes and class of large cigars, or the number of books or sets of cigarette papers of each different numerical content, or the number of cigarette tubes shall be shown. If the collector of customs finds that the full amount of the tax has not been prepaid, he will require the difference due to be paid to him prior to release of the cigars, cigarettes, or cigarette papers or tubes. When the inspection of the shipment has been effected, and any additional tax found to be due has been paid to the collector of customs, the shipment may be released.

(DD) The undesignated centerhead which precedes § 275.109 is amended to read:

DEFERRED PAYMENT OF TAX IN PUERTO RICO ON CIGARS AND CIGARETTES

(EE) Section 275.109 is amended to read:

§ 275.109 Bond required for deferred taxpayment.

Where a manufacturer of cigars or cigarettes in Puerto Rico desires to defer payment in Puerto Rico of the internal revenue tax imposed by section 7652(a), I.R.C., on cigars or cigarettes of Puerto Rican manufacture coming into the United States, he shall file a bond, Form 2986, with the Officer-in-Charge, in accordance with the provisions of this subpart. Such bond shall be conditioned on the payment, at the time and in the

manner prescribed in this subpart, of the full amount of tax computed under the provisions of this subpart with respect to cigars and cigarettes which are released for shipment to the United States on computation of tax. All taxes which are computed under the provisions of this subpart shall be chargeable against the bond, until such taxes are paid, as provided in § 275.112. The bond shall show the location of the factory from which the cigars and cigarettes to which it relates are to be shipped.

(FF) Section 275.110 is amended to read:

§ 275.110 Computation of tax and execution of agreement to pay tax.

Where cigars or cigarettes are to be shipped to the United States on computation of internal revenue tax in Puerto Rico (involving deferred taxpayment), the bonded manufacturer shall calculate the tax and shall prepare Form 2987, in septuplicate, shall enter on such form under the penalties of perjury the quantity and kind of cigars and cigarettes and class of large cigars to be shipped to the United States, the amount of the tax to be paid on such products under the provisions of this subpart, and the name and address of the consignee in the United States to whom such products are being shipped, and shall date and execute the agreement to pay the amount of tax which shall be computed on such products covered by the Form 2987. The Form 2987 shall be serially numbered by the bonded manufacturer beginning with the number "1" on January 1 of each year. The bonded manufacturer shall then request the Supervisor in Charge, Alcohol and Tobacco Tax, Puerto Rico, to assign an internal revenue officer to inspect the cigars and cigarettes, verify the tax calculation with respect to such products, and release such products for shipment in accordance with § 275.111. The bonded manufacturer shall present all copies of the prepared Form 2987 to the internal revenue officer assigned. The date of certification of Form 2987 by the internal revenue officer shall be treated as the date of computation of tax. Cigars and cigarettes may be released for shipment to the United States in accordance with the provisions of this section only after computation of tax.

(GG) Section 275.111 is amended to read:

§ 275.111 Inspection of shipment and certification by internal revenue officer.

On receipt of the original and six copies of the Form 2987 completed and executed by the bonded manufacturer in accordance with § 275.110, an internal revenue officer will inspect the cigars and cigarettes covered by the form, verify the tax calculation made with respect to such products, date and execute the certification on such form, and release the cigars and cigarettes for shipment to the United States. Such officer will then promptly distribute the certified Form 2987 by (a) mailing the original to the Officer-in-Charge; (b) mailing two copies to the collector of customs at the port of entry; (c) mailing one copy to the assistant regional commissioner of the region wherein the customs collection headquarters is located; (d) returning two copies to the bonded manufacturer who will attach one copy to the bill of lading to accompany the shipment (in custody of the carrier) for presentation to the collector of customs at the port of entry; and (e) submitting one copy to the Supervisor in Charge, Alcohol and Tobacco Tax, Puerto Rico. Such officer will also prepare, for each shipping container, a statement on Form 2989 that the tax on the cigars and cigarettes to be shipped to the United States has been computed and show the name and address of the bonded manufacturer, date of tax computation, and the quantity and kind of cigars and cigarettes and class of large cigars. The bonded manufacturer shall affix the completed Form 2989 to the outside of each shipping container in which the products are packed. Such statement, Form 2989, shall be affixed to the outer container used in the shipment of freight in bulk (crate, packing box, van, trailer, etc.) and not on the individual cartons, cases, etc., included in such outer container.

(HH) Section 275.112 is amended to read:

§ 275.112 Tax return.

The internal revenue taxes imposed by section 7652(a), I.R.C., with respect to cigars and cigarettes manufactured in Puerto Rico and shipped to the United States on computation of tax under the provisions of this subpart shall be paid on the basis of a semimonthly tax return. The bonded manufacturer of such products shall file with the Officer-in-Charge a semimonthly tax return, Form 2988, in triplicate, for each and every return period. The bonded manufacturer shall show on the return the serial numbers of all Forms 2987 certified during the return period, the kind and quantity of cigars and cigarettes and class of large cigars upon which the tax has been computed during the semimonthly return period, and the tax due thereon, and shall execute the return, Form 2988, under the penalties of perjury. He shall file a return for each return period at the time specified in § 275.113, regardless of whether tax is due for that return period: *Provided*, That where the Assistant Regional Commissioner, Alcohol and Tobacco Tax, New York, N.Y., grants specific authorization, the bonded manufacturer need not file a tax return during the term of such authorization for any period in which tax liability was not incurred under the provisions of this subpart.

(II) Section 275.116 is amended to read:

§ 275.116 Default.

Where a check or money order tendered with a semimonthly return for payment of internal revenue tax under the provisions of this subpart is not paid on presentment, where a bonded manufacturer fails to remit with the semimonthly return the full amount of tax due thereunder, or where a bonded manufacturer is otherwise in default in payment of tax under the provisions of this subpart, he shall not ship cigars or cigarettes to the United States on computation of tax, until the Officer-in-Charge finds that the revenue will not be jeopardized by deferred payment of tax under the provisions of this subpart.

(JJ) Section 275.117 is amended to read:

§ 275.117 Procedure at port of entry.

The collector of customs at the port of entry will inspect the shipment to determine whether the quantity specified on the Form 2987 is contained in the shipment. He will then execute his certificate on the three copies of the Form 2987, in his possession, and indicate on each copy any exceptions found at the time of release. The statement of exceptions shall identify each shipping container which sustained a loss, the cigars and cigarettes reported shipped in such container, and the cigars and cigarettes lost from such container. Losses occurring as the result of missing packages, cases, or shipping containers shall be listed separately from losses caused by damage. Where the statement is made on the basis of cigars and cigarettes missing or damaged, the quantity and kind of cigars and cigarettes and class of large cigars shall be shown. If the collector of customs finds that the full amount of tax due has not been computed, he will require the difference due to be paid to him prior to release of the cigars and cigarettes. When the inspection of the shipment has been effected, and any additional tax found to be due has been paid to the collector of customs, the shipment may be released.

(KK) Section 275.120 is amended to read:

§ 275.120 Deposit of securities in lieu of corporate surety.

In lieu of corporate surety, the manufacturer of cigars or cigarettes in Puerto Rico may pledge and deposit, as security for his bond, securities which are transferable and are guaranteed both as to interest and as to principal by the United States, in accordance with the provisions of 31 CFR Part 225.

(61 Stat. 650; 6 U.S.C. 15)

(LL) Section 275.121 is amended to read:

§ 275.121 Amount of bond.

In order that cigars or cigarettes may be shipped to the United States on computation of tax under the provisions of this subpart, the total amount of the bond or bonds shall at all times be in an amount not less than the amount of unpaid tax chargeable at any one time against the bond: *Provided*, That the amount of any such bond (or the total amount including strengthening bonds, if any) need not exceed $250,000 where payment of tax on cigarettes or on cigarettes and cigars is deferred; and need

not exceed $150,000 where payment of tax on cigars only is deferred. The amount of bond shall in no case be less than $1,000. Where the amount of a bonded manufacturer's bond is less than the maximum prescribed, the bonded manufacturer shall maintain a running account accurately reflecting all outstanding taxes with which his bond is chargeable. He shall charge such account with the amount of tax he agreed to pay on Forms 2987 and shall credit the account for the amount he paid with his return, Form 2988, at the time he files such return.

(MM) Section 275.125 is amended to read:

§ 275.125 Approval of bond and extension of coverage of bond.

The Officer-in-Charge is authorized to approve all bonds and extensions of coverage of bonds (except under § 275.136) filed under this subpart. No manufacturer of cigars or cigarettes in Puerto Rico shall defer taxes under this subpart until he receives from the Officer-in-Charge notice of approval of the bond or of an appropriate extension of coverage of the bond required under this subpart. Upon receipt of the duplicate copy of an approved bond or extension of coverage of bond from the Officer-in-Charge, such copy of the bond or extension of coverage of bond shall be retained by the bonded manufacturer and shall be made available for inspection by any internal revenue officer upon his request.

(NN) The undesignated centerhead which precedes § 275.135 is amended to read:

RELEASE OF PUERTO RICAN CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES FROM CUSTOMS CUSTODY, WITHOUT PAYMENT OF TAX

(OO) Section 275.135 is amended to read:

§ 275.135 Release from customs custody, without payment of tax.

Puerto Rican cigars, cigarettes, and cigarette papers and tubes may not be released from customs custody, without payment of internal revenue tax, under the provisions of § 275.101, unless the manufacturer in the United States has filed an extension of coverage of his bond in accordance with §275.136, and obtains the release of such articles as provided in this subpart.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(PP) Section 275.136 is amended to read:

§ 275.136 Extension of coverage of bond.

Every manufacturer of tobacco products in the United States who desires to obtain the release of Puerto Rican cigars, cigarettes, and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, and every manufacturer of cigarette papers and tubes who desires to obtain the release of Puerto Rican cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall file an extension of coverage of his bond on Form 2105 with, and receive a notice of approval from, the assistant regional commissioner of the region in which his factory is located. This extension of coverage shall be executed by the principal and the surety and shall be in the following form:

Whereas, the purpose of this extension is to bind the obligors for the payment of the tax imposed by section 7652(a), I.R.C., on cigars, cigarettes, and/or cigarette papers and tubes manufactured in Puerto Rico and released in the United States from customs custody without payment of tax, for delivery to the principal on said bond.

Now, therefore, the said bond is further specifically conditioned that the principal named therein shall pay all taxes imposed by section 7652(a), I.R.C., (plus penalties, if any, and interest) for which he may become liable with respect to cigars, cigarettes, and/or cigarette papers and tubes manufactured in Puerto Rico which are released to him in the United States from customs custody without payment of tax thereon, and comply with all provisions of law and regulations with respect thereto.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(QQ) Section 275.137 is amended to read:

§ 275.137 Notice of release.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who desires under the provisions of this subpart to obtain the release of Puerto Rican cigars, cigarettes, and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall prepare a notice of release, Form 3072, in quintuplicate, and file the five copies of the form with the assistant regional commissioner for the region wherein the manufacturer is located. The assistant regional commissioner will not certify Form 3072 covering the release of cigars, cigarettes, and cigarette papers and tubes unless the manufacturer is authorized, under Parts 270 and 285 of this chapter, to receive, without payment of tax, the kinds of articles set forth in the form. After certification by the assistant regional commissioner, the manufacturer shall forward all five copies of the form to the shipper in Puerto Rico. The shipper in Puerto Rico shall execute Part I on all copies of the form, forward four copies to the Supervisor in Charge, Alcohol and Tobacco Tax, Puerto Rico, and retain the remaining copy for his records. The internal revenue officer assigned to inspect the cigars, cigarettes, and cigarette papers and tubes to be shipped, after determining that the shipment has been correctly described in Part I, will execute Part II on all four copies of the form, and will (a) present one copy to the shipper for attachment to the bill of lading to accompany the shipment (in custody of the carrier) for presentation to the collector of customs at the port of entry; (b) promptly mail two copies to the collector of customs at the port of entry in the United States; and (c) retain the remaining copy.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(RR) Section 275.138 is amended to read:

§ 275.138 Action by collector of customs.

The collector of customs at the port of entry will note in Part III, on the three copies of the notice of release, Form 3072, in his possession, any exceptions found, showing the numbers and marks on each shipping container from which a loss was sustained, the quantity of cigars, cigarettes, or cigarette papers or tubes reported shipped in such shipping container, and the quantity of the articles lost. The collector of customs will execute the Notice of Release on each such copy of the form, release the shipment with one copy to the consignee, mail one copy to the assistant regional commissioner shown on the form, and retain the remaining copy for his records.

(SS) Section 275.139 is amended to read:

§ 275.139 Records.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who receives cigars, cigarettes, or cigarette papers or tubes of Puerto Rican manufacture, without payment of internal revenue tax, under his bond, shall keep a separate record which will show the date and quantity and kind of cigars and cigarettes and class of large cigars, and the date and number of books or sets of cigarette papers of each different numerical content, or the number of cigarette tubes: (a) received, (b) removed subject to tax, (c) removed for tax-exempt purposes, and (d) otherwise disposed of.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(TT) Section 275.140 is amended to read:

§ 275.140 Taxpayment in the United States.

Every manufacturer of tobacco products in the United States who receives Puerto Rican cigars or cigarettes from customs custody, without payment of internal revenue tax, under his bond, and subsequently removes such products, subject to tax, shall pay the tax imposed on such products by section 7652(a), I.R.C., at the rates prescribed in section 5701, I.R.C., on the basis of a return under the provisions of Part 270 of this chapter applicable to the taxpayment of cigars and cigarettes. Similarly, every manufacturer of cigarette papers and tubes in the United States who receives Puerto Rican cigarette papers and tubes and subsequently removes such articles, shall pay the tax imposed on such articles by section 7652(a), I.R.C., at the rates prescribed in section 5701, I.R.C., on the

basis of a return under the provisions of Part 285 of this chapter applicable to taxpayment of cigarette papers and tubes. Such cigars, cigarettes, and cigarette papers and tubes shall be separately listed and identified as articles of Puerto Rican manufacture on the returns, Form 3071 and Form 2137, and the amount of tax paid on such articles shall be separately stated on such forms.

(TTU) Section 275.141 is amended to read:

§ 275.141 Reports.

Every manufacturer of tobacco products and cigarette papers and tubes in the United States who receives Puerto Rican cigars, cigarettes, and cigarette papers and tubes from customs custody, without payment of internal revenue tax, under his bond, shall report the receipt and disposition of such cigars, cigarettes, and cigarette papers and tubes on supplemental monthly reports. Such supplemental reports shall be made on Form 3068 or Form 2138 and shall have inserted thereon the heading, "Cigars and Cigarettes of Puerto Rican Manufacture" or "Cigarette Papers and Tubes of Puerto Rican Manufacture," as the case may be. The original of such supplemental report shall be attached to the manufacturer's regular monthly report when filed.

(72 Stat. 1422; 26 U.S.C. 5722)

§ 275.145 [Deleted]

(VV) The undesignated centerhead "Release of Puerto Rican Tobacco Materials From Customs Custody, Without Payment of Tax" and § 275.145 are deleted.

(WW) Section 275.161 is amended to read:

§ 275.161 Abatement of assessment.

A claim for abatement of the unpaid portion of the assessment of any tax on cigars, cigarettes, and cigarette papers and tubes, or any liability in respect thereof, may be allowed to the extent that such assessment is excessive in amount, is assessed after expiration of the applicable period of limitation, or is erroneously or illegally assessed. Any claim under this section shall be prepared on Form 843, in duplicate, and shall set forth the particulars under which the claim is filed. The original of the claim, accompanied by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid, shall be filed with the assistant regional commissioner for the region in which the tax or liability was assessed, and the duplicate of the claim shall be retained by the claimant.

(68A Stat. 792; 26 U.S.C. 6404)

(XX) Section 275.162 is amended to read:

§ 275.162 Losses caused by disaster occurring after September 2, 1958.

Claims involving internal revenue tax paid or determined and customs duty paid on cigars, cigarettes, and cigarette papers and tubes removed, which are lost, rendered unmarketable, or condemned by a duly authorized official by reason of a "major disaster" occurring in the United States after September 2, 1958, shall be filed in accordance with the provisions of Subpart C of Part 296 of this chapter.

(72 Stat. 1420; 26 U.S.C. 5708)

(YY) Section 275.163 is amended to read:

§ 275.163 Refund of tax.

The taxes paid on cigars, cigarettes, and cigarette papers and tubes imported or brought into the United States may be refunded (without interest) to the taxpayer on proof satisfactory to the assistant regional commissioner that the taxpayer has paid the tax on cigars, cigarettes, and cigarette papers and tubes lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, while in the possession or ownership of such taxpayer, or withdrawn by him from the market. Any claim for refund or tax under this section shall be prepared on Form 843, in duplicate, and shall include a statement that the tax imposed on cigars, cigarettes, and cigarette papers and tubes by Chapter 52, I.R.C., or by Section 7652, I.R.C., as applicable, has been paid in respect to the articles covered in the claim, and that the articles were lost, destroyed, or withdrawn from the market, within six months preceding the date the claim is filed and shall be executed under the penalties of perjury. A claim for refund relating to articles lost or destroyed shall be supported as prescribed in § 275.165, and a claim relating to articles withdrawn from the market shall include a schedule prepared and verified as prescribed in § § 275.170 and 275.171 or § § 275.172 and 275.173. The original of the claim shall be filed with the assistant regional commissioner for the region in which the tax was paid, or, where the tax was paid in more than one region, with the assistant regional commissioner for any one of the regions in which the tax was paid. The duplicate of the claim, with the copy of any verified supporting schedules, shall be retained by the claimant.

(68A Stat. 907, as amended, 72 Stat. 1419, as amended; 26 U.S.C. 7652, 5705)

(ZZ) The undesignated centerhead which precedes § 275.165 is amended to read:

CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES LOST OR DESTROYED

(AAA) Section 275.165 is amended to read:

§ 275.165 Action by taxpayer.

Where cigars, cigarettes, and cigarette papers and tubes which have been imported or brought into the United States are lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, and the taxpayer desires to file claim for refund of the tax on such articles, he shall, in addition to complying with the requirements of § 275.163, indicate on the claim the nature, date, place, and extent of such loss or destruction. The claim shall be accompanied by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(BBB) The undesignated centerhead which precedes § 275.170 is amended to read:

CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES WITHDRAWN FROM THE MARKET

(CCC) Section 275.170 and the heading are amended to read:

§ 275.170 Destruction or reduction to tobacco, action by taxpayer.

Where cigars, cigarettes, and cigarette papers and tubes which have been imported or brought into the United States are withdrawn from the market and the taxpayer desires to file claim for refund of the tax on such articles, he shall, in addition to the requirements of § 275.163, assemble the articles at any suitable place, if they are to be destroyed or reduced to tobacco. The taxpayer shall group the articles according to the rate of tax applicable thereto, and shall prepare a schedule of the articles, on Form 3069, in triplicate. All copies of the schedule shall be forwarded to the assistant regional commissioner for the region in which the cigars, cigarettes, and cigarette papers and tubes are assembled.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(DDD) Section 275.171 and the heading are amended to read:

§ 275.171 Destruction or reduction to tobacco, action by assistant regional commissioner.

Upon receipt of a schedule of cigars, cigarettes, and cigarette papers and tubes which have been imported or brought into the United States and which are withdrawn from the market by a taxpayer who desires to destroy such articles or, in the case of cigars and cigarettes, reduce them to tobacco, the assistant regional commissioner may assign an internal revenue officer to verify the schedule and supervise destruction of the articles (and stamps, if any) or the reduction of cigars and cigarettes to tobacco, or the assistant regional commissioner may authorize the taxpayer to destroy the articles (and stamps, if any) or reduce cigars and cigarettes to tobacco without supervision by so stating on the original and one copy of the schedule returned to the taxpayer.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(EEE) Section 275.172 and the heading are amended to read:

§ 275.172 Return to nontaxpaid status, action by taxpayer.

Where cigars, cigarettes, and cigarette papers and tubes which have been imported or brought into the United States are withdrawn from the market and the

taxpayer desires to file a claim for refund of the tax on such articles and return such articles to a nontaxpaid status, he shall, in addition to the requirements of § 275.163, assemble the articles in or adjacent to the factory in which such articles are to be retained or received in a nontaxpaid status. The taxpayer shall group the articles according to the rate of tax applicable thereto, and shall prepare a schedule of the articles, on Form 3069, in triplicate. All copies of the schedule shall be forwarded to the assistant regional commissioner for the region in which the cigars, cigarettes, and cigarette papers and tubes are assembled.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(FFF) Section 275.173 and the heading are amended to read:

§ 275.173 Return to nontaxpaid status, action by assistant regional commissioner.

Upon receipt of a schedule of cigars, cigarettes, and cigarette papers and tubes which have been imported or brought into the United States and which are withdrawn from the market by a taxpayer who desires to return such articles to a nontaxpaid status, the assistant regional commissioner may assign an internal revenue officer to verify the schedule and supervise disposition of the articles (and destruction of the stamps, if any) or the assistant regional commissioner may authorize the receiving manufacturer to verify the schedule and disposition of the articles (and destruction of the stamps, if any) covered therein, without supervision, by so stating on the original and one copy of the schedule returned to the manufacturer. Where the receipt in a factory of cigars, cigarettes, and cigarette papers and tubes has been verified, such articles shall be treated by the receiving manufacturer as nontaxpaid and shall be covered by the manufacturer's bond.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(GGG) Section 275.174 and the heading are amended to read:

§ 275.174 Disposition of cigars, cigarettes, and cigarette papers and tubes, and schedule.

When an internal revenue officer is assigned to verify the schedule and supervise destruction or other disposition of cigars, cigarettes, and cigarette papers and tubes which have been imported or brought into the United States, such officer shall, upon completion of his assignment, execute a certificate on all copies of the schedule to show the disposition and the date of disposition of such articles. The internal revenue officer shall return the original and one copy of the certified schedule to the taxpayer. When a taxpayer destroys such articles (and stamps, if any) or reduces cigars and cigarettes to tobacco, or a receiving manufacturer verifies the schedule and disposition of such articles (and stamps, if any), he shall execute a certificate on the original and the copy of the schedule returned to him, to show the disposition and the date of disposition of the articles. The taxpayer shall attach the original of the certified schedule to his claim for refund.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

§ 275.180 [Deleted]

(HHH) The undesignated centerhead "Redemption of Stamps" and § 275.180 are deleted.

PART 280—DEALERS IN TOBACCO MATERIALS

PAR. 3. Title 26 CFR Part 280 is revoked in its entirety since Public Law 89–44 eliminated the provisions of the Code (Chapter 52, I.R.C.) which imposed controls on the handling and shipment of tobacco materials.

PART 285—MANUFACTURE OF CIGARETTE PAPERS AND TUBES

PAR. 4. Title 26 CFR Part 285 is amended by eliminating all provisions relating to manufactured tobacco and to tobacco materials; by referring to cigars and cigarettes rather than to tobacco products, except where the reference is to a holder of a permit as a manufacturer of tobacco products; by striking from the first sentence of § 285.28 relating to assessment, the phrase "in accordance with the provisions of this part"; by changing § 285.71, in the second sentence, to provide for the filing of powers of attorney for agents of surety companies, with the assistant regional commissioners; and by making necessary conforming changes. The amendments are as follows:

(A) Section 285.11 is amended to change the definitions of "Export Warehouse" and "Manufacturer of tobacco products" to read as follows:

§ 285.11 Meaning of terms.

* * * * *

Export warehouse. A bonded internal revenue warehouse for the storage of cigars, cigarettes, and cigarette papers and tubes upon which the internal revenue tax has not been paid, for subsequent shipment to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, or for consumption beyond the jurisdiction of the internal revenue laws of the United States.

* * * * *

Manufacturer of tobacco products. Any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes, solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

* * * * *

(B) Section 285.28 is amended to read:

§ 285.28 Assessment.

Whenever any person required by law to pay tax on cigarette papers and tubes fails to pay such tax, the tax shall be ascertained and assessed against such person, subject to the limitations prescribed in section 6501, I.R.C. The tax so assessed shall be in addition to the penalties imposed by law for failure to pay such tax when required. Except in cases where delay may jeopardize collection of the tax, or where the amount is nominal or the result of an evident mathematical error, no such assessment shall be made until and after notice has been afforded such person to show cause against assessment. The person will be allowed 45 days from the date of such notice to show cause, in writing, against such assessment.

(72 Stat. 1417; 26 U.S.C. 5703)

(C) Section 285.71 is amended to read:

§ 285.71 Corporate surety.

Surety bonds, required under the provisions of this part, may be given only with corporate sureties holding certificates of authority from the Secretary of the Treasury as acceptable sureties on Federal bonds. Power of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of such corporate sureties shall be filed with the assistant regional commissioner with whom any bond executed by such agent or officer is filed. Limitations concerning corporate sureties are prescribed by the Secretary in Treasury Department Circular No. 570, as revised. The surety shall have no interest whatever in the business covered by the bond.

(72 Stat. 1421, as amended, 61 Stat. 648; 26 U.S.C. 5711, 6 U.S.C. 6)

(D) Section 285.131 is amended to read:

§ 285.131 Transfer in bond.

A manufacturer of cigarette papers and tubes may transfer such papers and tubes, under his bond, without payment of tax, to the bonded premises of any manufacturer of cigarette papers and tubes, or to the bonded premises of a manufacturer of tobacco products solely for use in the manufacture of cigarettes. The transfer of cigarette papers and tubes, without payment of tax, to the bonded premises of an export warehouse proprietor shall be in accordance with the provisions of Part 290 of this chapter.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

PART 290—EXPORTATION OF CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES, WITHOUT PAYMENT OF TAX, OR WITH DRAWBACK OF TAX

PAR. 5. Title 26 CFR Part 290 is amended by eliminating all provisions relating to manufactured tobacco and to tobacco materials; by referring to cigars and cigarettes rather than to tobacco products, except where the reference is to a holder of a permit as a manufacturer of tobacco products; by adding to the definition of "Tobacco products" in § 290.50, the sentence "The term does not include smoking tobacco, chewing to-

bacco, or snuff."; by striking from the first sentence of § 290.69 relating to assessment, the phrase "in accordance with the provisions of this part" and otherwise conforming the text to the text of other similar regulations in the tobacco tax area; by changing §§ 290.72, 290.73, and 290.184 relating to alternate methods or procedures, emergency variations from requirements, and mark, respectively, to conform to the similar provisions in 26 CFR Part 270; by changing § 290.121, in the second sentence, to provide for the filing of powers of attorney for agents of surety companies, with the assistant regional commissioners; and by making necessary conforming changes. The amendments are as follows:

(A) The title of 26 CFR Part 290 is amended to read: "Part 290—Exportation of Cigars, Cigarettes, and Cigarette Papers and Tubes, Without Payment of Tax, or With Drawback of Tax."

(B) Section 290.1 and the heading are amended to read:

§ 290.1 Exportation of cigars, cigarettes, and cigarette papers and tubes, without payment of tax, or with drawback of tax.

This part contains the regulations relating to the exportation (including supplies for vessels and aircraft) of cigars, cigarettes, and cigarette papers and tubes, without payment of tax; the qualification of, and operations by, export warehouse proprietors; and the allowance of drawback of tax paid on cigars, cigarettes, and cigarette papers and tubes exported.

§§ 290.13, 290.19, 290.23, 290.24, 290.26 [Deleted]

(C–F) Sections 290.13, 290.19, 290.23, 290.24, and 290.26 are deleted.

(G) Section 290.27 is amended to read:

§ 290.27 Exportation or export.

"Exportation" or "export" shall mean a severance of cigars, cigarettes, or cigarette papers or tubes from the mass of things belonging to the United States with the intention of uniting them to the mass of things belonging to some foreign country. For the purposes of this part, shipment from the United States to Puerto Rico, the Virgin Islands, or a possession of the United States, shall be deemed exportation, as will the clearance from the United States of cigars, cigarettes, and cigarette papers and tubes for consumption beyond the jurisdiction of the internal revenue laws of the United States, i.e., beyond the 3-mile limit or international boundary, as the case may be.

(H) Section 290.28 is amended to read:

§ 290.28 Export warehouse.

"Export warehouse" shall mean a bonded internal revenue warehouse for the storage of cigars, cigarettes, and cigarette papers and tubes, upon which the internal revenue tax has not been paid, for subsequent shipment to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, or for consumption beyond the jurisdiction of the internal revenue laws of the United States.

(I) Section 290.30 is amended to read:

§ 290.30 Factory.

"Factory" shall mean the premises of a manufacturer of cigars, cigarettes, or cigarette papers and tubes in which he carries on such business.

(J) Section 290.32 is amended to read:

§ 290.32 I.R.C.

"I.R.C." shall mean the Internal Revenue Code of 1954, as amended.

§§ 290.34, 290.35 [Deleted]

(K) Sections 290.34 and 290.35 are deleted.

(L) Section 290.37 is amended to read:

§ 290.37 Manufacturer of tobacco products.

"Manufacturer of tobacco products" shall mean any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes, solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

(M) Section 290.38 is amended to read:

§ 290.38 Package.

"Package" shall mean the container in which cigars, cigarettes, or cigarette papers or tubes are put up by the manufacturer and offered for sale or delivery to the consumer.

§ 290.39 [Deleted]

(N) Section 290.39 is deleted.

(O) Section 290.43 is amended to read:

§ 290.43 Removal or remove.

"Removal" or "remove" shall mean the removal of cigars, cigarettes, or cigarette papers or tubes from either the factory or the export warehouse covered by the bond of the manufacturer or proprietor.

§§ 290.44, 290.45, 290.47–290.49 [Deleted]

(P and Q) Sections 290.44, 290.45, 290.47, 290.48, and 290.49 are deleted.

(R) Section 290.50 is amended to read:

§ 290.50 Tobacco products.

"Tobacco products" shall mean cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

§ 290.53 [Deleted]

(S) Section 290.53 is deleted.

(T) Section 290.61 is amended to read:

§ 290.61 Removals, withdrawals, and shipments authorized.

Cigars, cigarettes, and cigarette papers and tubes may be removed from a factory or an export warehouse, and cigars may be withdrawn from a customs warehouse, without payment of tax, for direct exportation or for delivery for subsequent exportation, in accordance with the provisions of this part.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(U) Section 290.61a is amended to read:

§ 290.61a Deliveries to foreign-trade zones—export status.

Cigars, cigarettes, and cigarette papers and tubes may be removed from a factory or an export warehouse and cigars may be withdrawn from a customs warehouse, without payment of tax, for delivery to a foreign-trade zone for exportation or storage pending exportation in accordance with the provisions of this part. Such articles delivered to a foreign-trade zone under this part shall be considered to be exported for the purpose of the statutes and bonds under which removed and for the purposes of the internal revenue laws generally and the regulations thereunder. However, export status is not acquired until an application on zone Form D for admission of the articles into the zone with zone restricted status has been approved by the collector of customs pursuant to the appropriate provisions of 19 CFR Chapter I, and the required certificate of receipt of the articles in the zone has been made on Forms 2149 or 2150 as prescribed in this part.

(48 Stat. 999, as amended, 72 Stat. 1418, as amended; 19 U.S.C. 81c, 26 U.S.C. 5704)

(V) Section 290.62 and the heading are amended to read:

§ 290.62 Restrictions on deliveries of cigars, cigarettes, and cigarette papers and tubes to vessels and aircraft, as supplies.

Cigars, cigarettes, and cigarette papers and tubes may be removed from a factory or an export warehouse and cigars may be withdrawn from a customs warehouse, without payment of tax, for delivery to vessels and aircraft, as supplies, for consumption beyond the jurisdiction of the internal revenue laws of the United States, subject to the applicable provisions of this part. Deliveries may be made to vessels actually engaged in foreign, intercoastal, or noncontiguous territory trade (i.e., vessels operating on a regular schedule in trade or actually transporting passengers and/or cargo (a) between a port in the United States and a foreign port; (b) between the Atlantic and Pacific ports of the United States; or (c) between a port on the mainland of the United States and a port in Alaska, Hawaii, Puerto Rico, the Virgin Islands, or a possession of the United States; between a port in Alaska and a port in Hawaii; or between a port in Alaska or Hawaii and a port in Puerto Rico, the Virgin Islands, or a possession of the United States); to vessels clearing through customs for a port beyond the jurisdiction of the internal revenue laws of the United States; to vessels of war or other governmental activity; or to vessels of the United States documented to engage in the fishing business (including the whaling business), and foreign fishing (including whaling) vessels of 5 net tons or over. Such deliveries to vessels shall be subject to lading under customs supervision as provided in §§ 290.207 and 290.263. As a condition

to the lading of the cigars, cigarettes, and cigarette papers and tubes, the customs authorities at the port of lading may, if they deem it necessary in order to protect the revenue, require assurances, satisfactory to them, from the master of the receiving vessel that the quantities to be laden are reasonable, considering the number of persons to be carried, the vessel's itinerary, the duration of its intended voyage, etc., and that such articles are to be used exclusively as supplies on the voyage. For this purpose, the customs authorities may require the master of the receiving vessel to submit for their approval, prior to lading, an application on Customs Form 5127 for permission to lade the articles. Where the customs authorities allow only a portion of a shipment to be laden, the remainder of the shipment shall be returned to the bonded premises of the manufacturer, export warehouse proprietor, or customs warehouse proprietor making the shipment, or otherwise disposed of as approved by the assistant regional commissioner for the region from which the articles were shipped. Deliveries may be made to aircraft clearing through customs en route to a place or places beyond the jurisdiction of the internal revenue laws of the United States, and to aircraft operating on a regular schedule between U.S. customs areas (as defined in the Air Commerce Regulations (19 CFR Part 6) of the Bureau of Customs). Deliveries may not be made to a vessel or aircraft stationed in the United States for an indefinite period and where its schedule does not include operations outside such jurisdiction.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(W) Section 290.63 and the heading are amended to read:

§ 290.63 Restrictions on disposal of cigars, cigarettes, and cigarette papers and tubes on vessels and aircraft.

Cigars, cigarettes, and cigarette papers and tubes delivered to a vessel or aircraft, without payment of tax, pursuant to § 290.62, shall not be sold, offered for sale, or otherwise disposed of until the vessel or aircraft is outside the jurisdiction of the internal revenue laws of the United States, i.e., outside the 3-mile limit or international boundary, as the case may be, of the United States. Where the vessel or aircraft returns within the jurisdiction of the internal revenue laws with such articles on board, the articles shall be subject to treatment under the tariff laws of the United States.

(72 Stat. 1418, as amended; 26 U.S.C. 5704; 19 U.S.C. 1317)

(X) Section 290.64 and the heading are amended to read:

§ 290.64 Responsibility for delivery or exportation of cigars, cigarettes, and cigarette papers and tubes.

Responsibility for compliance with the provisions of this part with respect to the removal under bond of cigars, cigarettes, and cigarette papers and tubes, without payment of tax, for export, and for the proper delivery or exportation of such articles, and with respect to the exportation of cigars, cigarettes, and cigarette papers and tubes with benefit of drawback of tax, shall rest upon the manufacturer of such articles or the proprietor of an export warehouse or customs warehouse from whose premises such articles are removed for export, and upon the exporter who exports cigars, cigarettes, and cigarette papers and tubes with benefit of drawback of tax.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(Y) Section 290.65 and the heading are amended to read:

§ 290.65 Liability for tax on cigars, cigarettes, and cigarette papers and tubes.

The manufacturer of tobacco products and cigarette papers and tubes shall be liable for the taxes imposed thereon by section 5701, I.R.C.: *Provided,* That when cigars, cigarettes, and cigarette papers and tubes are transferred, without payment of tax, pursuant to section 5704, I.R.C., between the bonded premises of manufacturers and/or export warehouse proprietors, the transferee shall become liable for the tax upon receipt by him of such articles. Any person who possesses cigars, cigarettes, or cigarette papers or tubes in violation of section 5751(a) (1) or (2), I.R.C., shall be liable for a tax equal to the tax on such articles.

(72 Stat. 1417, 1424; 26 U.S.C. 5703, 5751)

(Z) Section 290.66 is amended to read:

§ 290.66 Relief from liability for tax.

A manufacturer of tobacco products or cigarette papers and tubes or an export warehouse proprietor shall be relieved of the liability for tax on cigars, cigarettes, or cigarette papers or tubes when he furnishes the assistant regional commissioner, for the region in which the factory or warehouse is located, evidence satisfactory to the assistant regional commissioner of exportation or proper delivery, as required by this part, or satisfactory evidence of such other disposition as may be used as the lawful basis for such relief. Such evidence shall be furnished within 90 days of the date of removal of the cigars, cigarettes, or cigarette papers or tubes: *Provided,* That this period may be extended for good cause shown.

(72 Stat. 1417; 26 U.S.C. 5703)

(AA) Section 290.67 is amended to read:

§ 290.67 Payment of tax.

The taxes on cigars, cigarettes, and cigarette papers and tubes with respect to which the evidence contemplated by § 290.66 is not timely furnished shall become immediately due and payable. Such taxes shall be paid to the district director, for the district in which the factory or export warehouse is located, with sufficient information to identify the taxpayer, the nature and purpose of the payment, and the articles covered by the payment.

§ 290.68 [Deleted]

(BB) Section 290.68 is deleted.

(CC) Section 290.69 is amended to read:

§ 290.69 Assessment.

Whenever any person required by law to pay tax on cigars, cigarettes, and cigarette papers and tubes fails to pay such tax, the tax shall be ascertained and assessed against such person, subject to the limitations prescribed in section 6501, I.R.C. The tax so assessed shall be in addition to the penalties imposed by law for failure to pay such tax when required. Except in cases where delay may jeopardize collection of the tax, or where the amount is nominal or the result of an evident mathematical error, no such assessment shall be made until and after notice has been afforded such person to show cause against assessment. The person will be allowed 45 days from the date of such notice to show cause, in writing, against such assessment.

(72 Stat. 1417; 26 U.S.C. 5703)

(DD) Section 290.70 is amended to read:

§ 290.70 Authority of internal revenue officers to enter premises.

Any internal revenue officer may enter in the daytime any premises where cigars, cigarettes, or cigarette papers or tubes are produced or kept, so far as it may be necessary for the purpose of examining such articles. When such premises are open at night, any internal revenue officer may enter them, while so open, in the performance of his official duties. The owner of such premises, or person having the superintendence of the same, who refuses to admit any internal revenue officer or permit him to examine such articles shall be liable to the penalties prescribed by law for the offense.

(68A Stat. 872, 903; 26 U.S.C. 7342, 7606)

(EE) Section 290.72 and the heading are amended to make them conform to similar provisions in 26 CFR Part 270. As amended, § 290.72 reads:

§ 290.72 Alternate methods or procedures.

A manufacturer of tobacco products, an export warehouse proprietor, or a customs warehouse proprietor, on specific approval by the Director as provided in this section, may use an alternate method or procedure in lieu of a method or procedure specifically prescribed in this part. The Director may approve an alternate method or procedure, subject to stated conditions, when he finds that—

(a) Good cause has been shown for the use of the alternate method or procedure,

(b) The alternate method or procedure is within the purpose of, and consistent with the effect intended by, the

specifically prescribed method or procedure, and affords equivalent security to the revenue, and

(c) The alternate method or procedure will not be contrary to any provision of law, and will not result in an increase in cost to the Government or hinder the effective administration of this part. No alternate method or procedure relating to the giving of any bond or to the assessment, payment, or collection of tax, shall be authorized under this section. Where a manufacturer or proprietor desires to employ an alternate method or procedure, he shall submit a written application to do so, in triplicate, to the assistant regional commissioner for transmittal to the Director. The application shall specifically describe the proposed alternate method or procedure, and shall set forth the reasons therefor. Alternate methods or procedures shall not be employed until the application has been approved by the Director. The manufacturer or proprietor shall, during the period of authorization of an alternate method or procedure, comply with the terms of the approved application. Authorization for any alternate method or procedure may be withdrawn whenever in the judgment of the Director the revenue is jeopardized or the effective administration of this part is hindered. The manufacturer or proprietor shall retain, as part of his records, any authorization of the Director under this section.

(FF) Section 290.73 and the heading are amended to make them conform to similar provisions in 26 CFR Part 270. As amended, § 290.73 reads:

§ 290.73 Emergency variations from requirements.

The Director may approve methods of operation other than as specified in this part, where he finds that an emergency exists and the proposed variations from the specified requirements are necessary, and the proposed variations—

(a) Will afford the security and protection to the revenue intended by the prescribed specifications,

(b) Will not hinder the effective administration of this part, and

(c) Will not be contrary to any provision of law. Variations from requirements granted under this section are conditioned on compliance with the procedures, conditions, and limitations set forth in the approval of the application. Failure to comply in good faith with such procedures, conditions, and limitations shall automatically terminate the authority for such variations and the manufacturer, export warehouse proprietor, or customs warehouse proprietor, thereupon shall fully comply with the prescribed requirements of regulations from which the variations were authorized. Authority for any variations may be withdrawn whenever in the judgment of the Director the revenue is jeopardized or the effective administration of this part is hindered by the continuation of such variation. Where a manufacturer or proprietor desires to employ such variation, he shall submit a written application to do so, in triplicate, to the assistant regional commissioner for transmittal to the Director. The application shall describe the proposed variations and set forth the reasons therefor. Variations shall not be employed until the application has been approved. The manufacturer or proprietor shall retain, as part of his records, any authorization of the Director under this section.

§ 290.74 [Deleted]

(GG) Section 290.74 is deleted.

(HH) Section 290.90 is amended to read:

§ 290.90 Restrictions relating to export warehouse premises.

Export warehouse premises shall be used exclusively for the storage of cigars, cigarettes, and cigarette papers and tubes, upon which the internal revenue tax has not been paid, for subsequent removal under this part: *Provided,* That smoking tobacco, chewing tobacco, and snuff may also be stored in an export warehouse.

(72 Stat. 1421; 26 U.S.C. 5712)

(II) Section 290.107 is amended to read:

§ 290.107 Change in stockholders of a corporation.

Where the issuance, sale, or transfer of the stock of a corporation, operating as an export warehouse proprietor, results in a change in the identity of the principal stockholders exercising actual or legal control of the operations of the corporation, the corporate proprietor shall, within 30 days after the change occurs, make application for a new permit; otherwise, the present permit shall be automatically terminated at the expiration of such 30-day period, and the proprietor shall dispose of all cigars, cigarettes, and cigarette papers and tubes on hand, in accordance with this part, make a closing inventory and closing report, in accordance with the provisions of §§ 290.146 and 290.151, respectively, and surrender his permit with such inventory and report. If the application for a new permit is timely made, the present permit shall continue in effect pending final action with respect to such application.

(72 Stat. 1421, 1422; 26 U.S.C. 5712, 5713, 5721, 5722)

(JJ) Section 290.112 is amended to read:

§ 290.112 Emergency premises.

In cases of emergency, the assistant regional commissioner may authorize, for a stated period, the temporary use of a place for the temporary storage of cigars, cigarettes, and cigarette papers and tubes, without making the application or furnishing the extension of coverage of bond required under §§ 290.111 and 290.126, or the temporary separation of warehouse premises by means other than those specified in § 290.89, where such action will not hinder the effective administration of this part, is not contrary to law, and will not jeopardize the revenue.

(KK) Section 290.121 is amended to read:

§ 290.121 Corporate surety.

Surety bonds, required under the provisions of this part, may be given only with corporate sureties holding certificates of authority from the Secretary of the Treasury as acceptable sureties on Federal bonds. Power of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of such corporate sureties shall be filed with the assistant regional commissioner with whom any bond executed by such agent or officer is filed. Limitations concerning corporate sureties are prescribed by the Secretary in Treasury Department Circular No. 570, as revised. The surety shall have no interest whatever in the business covered by the bond.

(72 Stat 1421, as amended, 61 Stat. 648; 26 U.S.C. 5711, 6 U.S.C. 6)

(LL) Section 290.123 is amended to read:

§ 290.123 Amount of bond.

The amount of the bond filed by the export warehouse proprietor, as required by § 290.86, shall be not less than the estimated amount of tax which may at any time constitute a charge against the bond: *Provided,* That the amount of any such bond (or the total amount where original and strengthening bonds are filed) shall not exceed $200,000 nor be less than $1,000. The charge against such bond shall be subject to increase upon receipt of cigars, cigarettes, and cigarette papers and tubes into the export warehouse and to decrease as satisfactory evidence of exportation, or satisfactory evidence of such other disposition as may be used as the lawful basis for crediting such bond, is received by the assistant regional commissioner with respect to such articles transferred or removed. When the limit of liability under a bond given in less than the maximum amount has been reached, no additional shipments shall be received into the warehouse until a strengthening or superseding bond is filed, as required by § 290.124 or § 290.125.

(72 Stat. 1421, as amended; 26 U.S.C. 5711)

(MM) Section 290.142 is amended to read:

§ 290.142 Records.

Every export warehouse proprietor shall keep at his warehouse complete and adequate records of the date, kind, and quantity of cigars, cigarettes, and cigarette papers and tubes received, removed, transferred, destroyed, lost, or returned to manufacturers or to customs warehouse proprietors. In addition to such records, the export warehouse proprietor shall retain a copy of each notice, Form 2149 or 2150, received from a manufacturer, another export warehouse proprietor, or customs warehouse proprietor from whom cigars, cigarettes, and cigarette papers and tubes are received, and

a copy of each notice, Form 2150, covering the cigars, cigarettes, and cigarette papers and tubes removed from his warehouse. The entries for each day in the records maintained or kept under this section shall be made by the close of the business day following that on which the transactions occur. No particular form of records is prescribed, but the information required shall be readily ascertainable. Such records and copies of the notices, Forms 2149 and 2150, shall be retained for 2 years following the close of the calendar year in which the shipments were received or removed and shall be made available for inspection by any internal revenue officer upon his request.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

(NN) Section 290.143 is amended to read:

§ 290.143 General.

Every export warehouse proprietor shall make a true and accurate inventory, to the assistant regional commissioner, of the quantity of cigars, cigarettes, and cigarette papers and tubes (large cigars by taxable class) held by him at the times specified in this subpart, which inventory shall be subject to verification by an internal revenue officer. A copy of each inventory shall be retained by the export warehouse proprietor for 2 years following the close of the calendar year in which the inventory is made and shall be made available for inspection by any internal revenue officer upon his request.

(72 Stat. 1422; 26 U.S.C. 5721)

(OO) Section 290.147 is amended to read:

§ 290.147 General.

Every export warehouse proprietor shall make a report on Form 2140, to the assistant regional commissioner, of all cigars, cigarettes, and cigarette papers and tubes on hand, received, removed, transferred, and lost or destroyed. Such report shall be made at the times specified in this subpart and shall be made whether or not any operations or transactions occurred during the period covered by the report. A copy of each report shall be retained by the export warehouse proprietor at his warehouse for 2 years following the close of the calendar year covered in such reports, and made available for inspection by any internal revenue officer upon his request.

(72 Stat. 1422; 26 U.S.C. 5722)

(PP) Section 290.152 is amended to read:

§ 290.152 Claim for remission of tax liability.

Every loss (otherwise than by theft) or destruction, by fire, casualty, or act of God, of cigars, cigarettes, and cigarette papers and tubes, before removal from the export warehouse, or after removal for tax-exempt purposes, and which are in the possession or ownership of the export warehouse proprietor, shall be reported by the proprietor to the assistant regional commissioner and the facts of such loss or destruction shall be established to his satisfaction. Claim for remission of tax liability may be filed with the assistant regional commissioner. Such claim shall be in letter form showing the nature, date, and extent of such loss or destruction, shall set forth the reasons why such tax liability should be remitted, and shall be supported by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(QQ) Section 290.153 is amended to read:

§ 290.153 Claim for abatement of assessment.

A claim for abatement of the unpaid portion of the assessment of any tax on cigars, cigarettes, and cigarette papers and tubes, or any liability in respect of such tax, alleged to be excessive in amount, assessed after the expiration of the period of limitation applicable thereto, or erroneously or illegally assessed, shall be filed on Form 843 with the assistant regional commissioner. Such claim shall set forth the reasons relied upon for the allowance of the claim and shall be supported by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid.

(68A Stat. 792; 26 U.S.C. 6404)

(RR) Section 290.154 is amended to read:

§ 290.154 Claim for refund of tax.

The taxes paid on cigars, cigarettes, and cigarette papers and tubes may be refunded (without interest) to the export warehouse proprietor on satisfactory proof that he has paid the tax on such articles lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, while in the possession or ownership of the export warehouse proprietor. To obtain refund of tax under this section, claim for refund, Form 843, shall be filed with the assistant regional commissioner for the region in which the tax was paid within 6 months after the loss or destruction of the cigars, cigarettes, and cigarette papers and tubes to which the claim relates and shall be supported by such evidence as is necessary to establish to the satisfaction of the assistant regional commissioner that the claim is valid.

(72 Stat. 1419, as amended; 26 U.S.C. 5705)

(SS) Section 290.161 is amended to read:

§ 290.161 Discontinuance of operations.

Every export warehouse proprietor who desires to discontinue operations and close out his warehouse shall dispose of all cigars, cigarettes, and cigarette papers and tubes on hand, in accordance with this part, making a closing inventory and closing report, in accordance with the provisions of §§ 290.146 and 290.151, respectively, and surrender, with such inventory and report, his permit to the assistant regional commissioner as notice of such discontinuance, in order that the assistant regional commissioner may terminate the liability of the surety on the bond of the export warehouse proprietor.

(72 Stat. 1422; 26 U.S.C. 5721, 5722)

(TT) Subpart I is deleted.

(UU) The heading of Subpart J is amended to read:

Subpart J—Removal of Shipments of Cigars, Cigarettes, and Cigarette Papers and Tubes by Manufacturers and Export Warehouse Proprietors

(VV) Section 290.181 is amended to read:

§ 290.181 Packages.

All cigars, cigarettes, and cigarette papers and tubes shall, before removal, be put up by the manufacturer in packages which shall bear the label or notice, class designation, and mark, as required by this subpart.

(72 Stat. 1422; 26 U.S.C. 5723)

(WW) Section 290.182 is amended to read:

§ 290.182 Lottery features.

No certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event of a lottery shall be contained in, attached to, or stamped, marked, written, or printed on any package of cigars, cigarettes, or cigarette papers or tubes.

(72 Stat. 1422; 26 U.S.C. 5723, 18 U.S.C. 1301)

(XX) Section 290.183 is amended to read:

§ 290.183 Indecent or immoral material.

No indecent or immoral picture, print, or representation shall be contained in, attached to, or stamped, marked, written, or printed on any package of cigars, cigarettes, or cigarette papers or tubes.

(72 Stat. 1422; 26 U.S.C. 5723)

(YY) Section 290.184 is amended to make its provisions conform to similar provisions in 26 CFR Part 270. As amended, § 290.184 reads:

§ 290.184 Mark.

Every package of cigars and cigarettes shall, before removal from the factory under this subpart, have adequately imprinted thereon, or on a label securely affixed thereto, a mark as specified in this section. The mark may consist of the name of the manufacturer removing

the product and the location (by city and State) of the factory from which the products are to be so removed, or may consist of the permit number of the factory from which the products are to be so removed. (Any trade name of the manufacturer approved as provided in § 270.65 of this chapter may be used in the mark as the name of the manufacturer.) As an alternative, where cigars and cigarettes are both packaged and removed by the same manufacturer, either at the same or different factories, the mark may consist of the name of such manufacturer if the factory where packaged is identified on or in the package by a means approved by the Director. Before using the alternative, the manufacturer shall notify the Director in writing of the name to be used as the name of the manufacturer and the means to be used for identifying the factory where packaged. If approved by him the Director shall return approved copies of the notice to the manufacturer. A copy of the approved notice shall be retained as part of the factory records at each of the factories operated by the manufacturer.

(72 Stat. 1422; 26 U.S.C. 5723)

(ZZ) Section 290.185 is amended to read:

§ 290.185 Label or notice.

Every package of cigars or cigarettes shall, before removal from the factory under this subpart, have adequately imprinted thereon, or on a label securely affixed thereto, the words "Tax-exempt. For use outside U.S." or the words "U.S. Tax-exempt. For use outside U.S." except where a stamp, sticker, or notice, required by a foreign country or a possession of the United States, which identifies such country or possession, is so imprinted or affixed.

(72 Stat. 1422; 26 U.S.C. 5723)

(AAA) Section 290.186 is amended to read:

§ 290.186 Class designation for large cigars.

Every package of large cigars shall, before removal from the factory under this subpart, have adequately imprinted thereon, or on a label securely affixed thereto, a class designation corresponding with the rate of tax under section 5701(a)(2), I.R.C., applicable to similar cigars removed for taxable purposes. The appropriate class designation shall be stated in the following manner:

Class A. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be not more than 2½ cents each;

Class B. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 2½ cents each and not more than 4 cents each;

Class C. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 4 cents each and not more than 6 cents each;

Class D. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 6 cents each and not more than 8 cents each;

Class E. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 8 cents each and not more than 15 cents each;

Class F. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 15 cents each and not more than 20 cents each; or

Class G. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 20 cents each.

(72 Stat. 1422; 26 U.S.C. 5723)

(BBB) Section 290.187 is amended to read:

§ 290.187 Shipping containers.

Each shipping case, crate, or other container in which cigars, cigarettes, or cigarette papers or tubes are to be shipped or removed, under this part, shall bear a distinguishing number, such number to be assigned by the manufacturer or export warehouse proprietor. Removals of cigars, cigarettes, and cigarette papers and tubes from an export warehouse shall be made, insofar as practicable, in the same containers in which they were received from the factory.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(CCC) Section 290.188 is amended to read:

§ 290.188 General.

Cigars, cigarettes, and cigarette papers and tubes transferred or removed from a factory or an export warehouse, under this part, without payment of tax, shall be consigned as required by this subpart.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(DDD) Section 290.189 is amended to read:

§ 290.189 Transfers between factories and export warehouses.

Where cigars, cigarettes, and cigarette papers and tubes are transferred, without payment of tax, from a factory to an export warehouse or between export warehouses, such articles shall be consigned to the export warehouse proprietor to whom such articles are to be delivered.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(EEE) Section 290.190 is amended to read:

§ 290.190 Return of shipment to a manufacturer or customs warehouse proprietor.

Where cigars, cigarettes, and cigarette papers and tubes are returned by an export warehouse proprietor to a manufacturer or where cigars are so returned to a customs warehouse proprietor, such articles shall be consigned to the manufacturer or customs warehouse proprietor to whom the shipment is to be returned.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(FFF) Section 290.191 is amended to read:

§ 290.191 To officers of the armed forces for subsequent exportation.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for delivery to officers of the armed forces of the United States in this country for subsequent shipment to, and use by, the armed forces outside the United States, the manufacturer or export warehouse proprietor shall consign such articles to the receiving officer at the armed forces base or installation, in this country, to which they are to be delivered.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(GGG) Section 290.192 is amended to read:

§ 290.192 To vessels and aircraft for shipment to noncontiguous foreign countries and possessions of the United States.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse, for direct delivery to a vessel or aircraft for transportation to a noncontiguous foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, the manufacturer or export warehouse proprietor shall consign the shipment directly to the vessel or aircraft, or to his agent at the port for delivery to the vessel or aircraft.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(HHH) Section 290.193 is amended to read:

§ 290.193 To a Federal department or agency.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse and are destined for ultimate delivery in a noncontiguous foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, but the shipment is to be delivered in the United States to a Federal department or agency, or to an authorized dispatch agent, transportation officer, or port director of such a department or agency for forwarding on to the place of destination of the shipment, the manufacturer or export warehouse proprietor shall consign the shipment to the Federal department or agency, or to the proper dispatch agent, transportation officer, or port director of such department or agency.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(III) Section 290.194 is amended to read:

§ 290.194 To collector of customs for shipment to contiguous foreign countries.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse, for export to a person in a contiguous foreign country, the manufacturer or export warehouse proprietor shall consign the shipment to the collector of customs at the border or other port of exit.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(JJJ) Section 290.195 is amended to read:

§ 290.195 To Government vessels and aircraft for consumption as supplies.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a fac-

tory or an export warehouse for delivery to a vessel or aircraft engaged in an activity for the Government of the United States or a foreign government, for consumption as supplies beyond the jurisdiction of the internal revenue laws of the United States, the manufacturer or export warehouse proprietor shall consign the shipment to the proper officer on board the vessel or aircraft to which the shipment is to be delivered.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(KKK) Section 290.196 is amended to read:

§ 290.196 To collector of customs for consumption as supplies on commercial vessels and aircraft.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for consumption as supplies beyond the jurisdiction of the internal revenue laws of the United States, the manufacturer or export warehouse proprietor shall consign the shipment to the collector of customs at the port at which the shipment is to be laden.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(LLL) Section 290.196a is amended to read:

§ 290.196a To a foreign-trade zone.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for delivery to a foreign-trade zone, under zone restricted status for the purpose of exportation or storage, the manufacturer or export warehouse proprietor shall consign the shipment to the Zone Operator in care of the customs officer in charge of the zone.

(48 Stat. 999, as amended, 72 Stat. 1418, as amended; 19 U.S.C. 81c, 26 U.S.C. 5704)

(MMM) Section 290.197 is amended to read:

§ 290.197 For export by parcel post.

Cigars, cigarettes, and cigarette papers and tubes removed from a factory or an export warehouse, for export by parcel post to a person in a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, shall be addressed and consigned to such person when the articles are deposited in the mails. Waiver of his right to withdraw such articles from the mails shall be stamped or written on each shipping container and be signed by the manufacturer or export warehouse proprietor making the shipment.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(NNN) Section 290.198 is amended to read:

§ 290.198 Preparation.

For each shipment of cigars, cigarettes, and cigarette papers and tubes transferred or removed from his factory, under bond and this part, the manufacturer shall prepare a notice of removal, Form 2149, and for each shipment of cigars, cigarettes, and cigarette papers and tubes transferred or removed from his export warehouse, under bond and this part, the export warehouse proprietor shall prepare a notice of removal, Form 2150. Each such notice shall be given a serial number by the manufacturer or export warehouse proprietor in a series beginning with number 1, with respect to the first shipment removed from the factory or export warehouse under this part and commencing again with number 1 on January 1 of each year thereafter.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(OOO) Section 290.200 is amended to read:

§ 290.200 Transfers between factories and export warehouses.

Where cigars, cigarettes, and cigarette papers and tubes are transferred from a factory to an export warehouse or between export warehouses, the manufacturer or export warehouse proprietor making the shipment shall forward three copies of the notice of removal, Form 2149 or 2150, as the case may be, to the export warehouse proprietor to whom the shipment is consigned. Immediately upon receipt of the shipment at his warehouse, the export warehouse proprietor shall properly execute the certificate of receipt on each copy of the notice of removal, noting thereon any discrepancy; return one copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner; retain one copy at his warehouse as a part of his records; and file the remaining copy with his report, required by § 290.147.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(PPP) Section 290.201 is amended to read:

§ 290.201 Return to manufacturer or customs warehouse proprietor.

Where cigars, cigarettes, and cigarette papers and tubes are removed from an export warehouse for return to the factory, or cigars are removed from such a warehouse for return to a customs warehouse, the export warehouse proprietor making the shipment shall forward two copies of the notice of removal, Form 2150, to the manufacturer or customs warehouse proprietor to whom the shipment is consigned. Immediately upon receipt of the shipment at his factory or warehouse, the manufacturer or customs warehouse proprietor shall properly execute the certificate of receipt on both copies of the notice of removal, noting thereon any discrepancy, and return one copy to the export warehouse proprietor making the shipment for filing with his assistant regional commissioner. The other copy of the notice of removal shall be retained by the manufacturer or customs warehouse proprietor, as a part of his records, for two years following the close of the calendar year in which the shipment was received and shall be made available for inspection by any internal revenue officer upon his request.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(QQQ) Section 290.202 is amended to read:

§ 290.202 To officers of the armed forces for subsequent exportation.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for delivery to officers of the armed forces of the United States in this country for subsequent shipment to, and use by, the armed forces outside the United States, the manufacturer or export warehouse proprietor making the removal shall forward a copy of the notice of removal, Form 2149 or 2150, to the officer at the base or installation authorized to receive the articles described on the notice of removal. Upon execution by the armed forces receiving officer of the certificate of receipt on the copy of the notice of removal, he shall return such copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(RRR) Section 290.203 is amended to read:

§ 290.203 To noncontiguous foreign countries and possessions of the United States.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse, for direct delivery to a vessel or aircraft for transportation to a noncontiguous foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, the manufacturer or export warehouse proprietor making the shipment shall file two copies of the notice of removal, Form 2149 or 2150, with the office of the collector of customs at the port where the shipment is to be laden. Such copies of the notice of removal should be filed with the related shipper's export declaration, Commerce Form 7525–V. In the event the copies of the notice of removal are not filed with the shipper's export declaration, when the copies of the notice of removal are filed with the collector of customs they shall show all particulars necessary to enable the collector to identify the shipment with the related shipper's export declaration and any other documents filed with his office in connection with the shipment. After the vessel or aircraft on which the shipment has been laden clears or departs from his port, the collector of customs shall execute the certificate of exportation on each copy of the notice of removal, retain one copy for his records, and deliver or transmit the other copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(SSS) Section 290.204 is amended to read:

§ 290.204 To a Federal department or agency.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a

factory or an export warehouse and are destined for ultimate delivery in a noncontiguous foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States, but the shipment is to be delivered to a Federal department or agency, or to an authorized dispatch agent, transportation officer, or port director of such a department or agency for forwarding on to the place of destination of the shipment, the manufacturer or export warehouse proprietor making the shipment shall furnish a copy of the notice of removal, Form 2149 or 2150, to the Federal department or agency, or an officer thereof at the port, receiving the shipment for ultimate transmittal to the place of destination, in order that such department, agency, or officer can properly execute the certificate of receipt on such notice to evidence receipt of the shipment for transmittal to a place beyond the jurisdiction of the internal revenue laws of the United States. After completing such certificate, the Federal department, agency, or officer shall return the copy of the notice of removal, so executed, to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(TTT) Section 290.205 is amended to read:

§ 290.205 To contiguous foreign countries.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse, and consigned to a person in a contiguous foreign country, the manufacturer or export warehouse proprietor making the shipment shall furnish to the collector of customs at the border or other port of exit of the shipment from the United States, through which the shipment will be routed, two copies of the notice of removal, Form 2149 or 2150, together with the related shipper's export declaration, Commerce Form 7525–V. In the event the copies of the notice of removal are not filed with the shipper's export declaration or, in the case of a shipment for the armed forces of the United States in the contiguous foreign country, where no shipper's export declaration is required, the copies of the notice of removal when filed with the collector of customs shall show all particulars necessary to enable the collector to identify the shipment with the related shipper's export declaration, if any, and any other documents filed with his office in connection with the shipment. After the shipment has been cleared by customs from the United States, the customs authorities at the port of exit will complete the certificate of exportation on each copy of the Form 2149 or 2150, retain one copy thereof, and transmit the other copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(UUU) Section 290.206 is amended to read:

§ 290.206 To Government vessels and aircraft for consumption as supplies.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for direct delivery to a vessel or aircraft, engaged in an activity for the Government of the United States or a foreign government, for consumption as supplies beyond the jurisdiction of the internal revenue laws of the United States, the manufacturer or export warehouse proprietor making the shipment shall forward a copy of the notice of removal, Form 2149 or 2150, to the officer of the vessel or aircraft authorized to receive the shipment. Upon execution by the receiving officer of the vessel or aircraft of the certificate of receipt on the copy of the notice of removal, he shall return such copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(VVV) Section 290.207 is amended to read:

§ 290.207 To commercial vessels and aircraft for consumption as supplies.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for delivery to a vessel or aircraft entitled to receive such articles for consumption as supplies beyond the jurisdiction of the internal revenue laws of the United States, the manufacturer or export warehouse proprietor making the shipment shall file two copies of the notice of removal, Form 2149 or 2150, with the collector of customs at the port where the shipment is to be laden in sufficient time to permit delivery of the two copies of the notice of removal to the inspector of customs who will inspect the shipment and supervise its lading. After inspection and lading of the shipment the inspector of customs shall note on the copies of the notice of removal any discrepancy between the shipment inspected and laden under his supervision and that described on the notice of removal or any limitation on the quantity to be laden; complete and sign the certificate of inspection and lading; and return both copies of the notice of removal to the collector of customs. The collector of customs shall execute the certificate of clearance on the copies of the notice of removal, retain one copy for his records, and forward the other copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner. Where the vessel or aircraft does not clear from the port at which the shipment is laden, the customs inspector supervising the lading of the shipment shall require the person on board the vessel or aircraft authorized to receive the shipment to execute the certificate of receipt on both copies of the notice of removal to indicate the trade or activity in which the vessel or aircraft is engaged.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(WWW) Section 290.207a is amended to read:

§ 290.207a To a foreign-trade zone.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse for delivery to a foreign-trade zone, under zone restricted status for the purpose of exportation or storage, the manufacturer or export warehouse proprietor making the shipment shall forward two copies of the notice of removal, Form 2149 or 2150, to the customs officer in charge of the zone. Upon receipt of the shipment, the customs officer shall execute the certificate of receipt on each copy of the form, noting thereon any discrepancy, retain one copy for his records, and forward the other copy to the manufacturer or export warehouse proprietor making the shipment for filing with his assistant regional commissioner.

(48 Stat. 999, as amended, 72 Stat. 1418, as amended; 19 U.S.C. 81c, 26 U.S.C. 5704)

(XXX) Section 290.208 is amended to read:

§ 290.208 For export by parcel post.

Where cigars, cigarettes, and cigarette papers and tubes are removed from a factory or an export warehouse, for export by parcel post, the manufacturer or export warehouse proprietor shall present one copy of the notice of removal, Form 2149 or 2150, together with the shipping containers, to the postal authorities with the request that the postmaster or his agent execute the certificate of mailing on the form. Where the manufacturer or export warehouse proprietor so desires, he may cover under one notice of removal all the merchandise removed under this part for export by parcel post which is delivered at one time to the postal service for that purpose. The manufacturer or export warehouse proprietor shall immediately file the receipted copy of the notice of removal with his assistant regional commissioner.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(YYY) Section 290.210 is amended to read:

§ 290.210 Return of shipment to factory or export warehouse.

A manufacturer or export warehouse proprietor may return to his factory or export warehouse, without internal revenue supervision when so authorized by the assistant regional commissioner, cigars, cigarettes, and cigarette papers and tubes previously removed therefrom, under this part, but not yet exported. The manufacturer or export warehouse proprietor shall, prior to returning the articles to his factory or export warehouse, make application to the assistant regional commissioner for permission so to do, which application shall be accompanied by two copies of the notice of removal, Form 2149 or 2150, under which the articles were originally removed. If less than the entire shipment is intended

to be returned to the factory or export warehouse, the application shall set forth accurately the articles to be returned and shall show what disposition was made of the remainder of the original shipment and any other facts pertinent to such shipment. Where the assistant regional commissioner approves the application, he shall so indicate by endorsement to that effect on each of the copies of the notice of removal, set forth the articles for which return is approved, and return both copies of the notice of removal to the manufacturer or export warehouse proprietor concerned. Upon receipt of the copies of the notice of removal bearing the endorsement of the assistant regional commissioner, the manufacturer or export warehouse proprietor shall return the articles to his factory or export warehouse, properly modify and execute the certificate of receipt on each copy of the notice of removal, return one such copy to the assistant regional commissioner, and retain the other copy as a part of his records.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(ZZZ) Section 290.212 is amended to read:

§ 290.212 Delay in lading at port of exportation.

If, on arrival of cigars, cigarettes, and cigarette papers and tubes at the port of exportation, the vessel or aircraft for which they are intended is not prepared to receive the articles, they may be properly stored at the port for not more than 30 days. In the event of any further delay, the facts shall be reported by the manufacturer or export warehouse proprietor to his assistant regional commissioner and unless he approves an extension of time in which to effect lading and clearance of the shipment it must be returned to the factory or export warehouse.

(AAAA) Section 290.213 and the heading are amended to read:

§ 290.213 Destruction of cigars, cigarettes, and cigarette papers and tubes.

Where an export warehouse proprietor desires to destroy any of the cigars, cigarettes, or cigarette papers or tubes stored in his warehouse, he shall notify the assistant regional commissioner of the kind and quantity of such articles to be destroyed and the date on which he desires the destruction to take place in order that the assistant regional commissioner may assign an internal revenue officer to inspect the articles and supervise their destruction. The export warehouse proprietor shall prepare a notice of removal, Form 2150, describing the articles to be destroyed. After witnessing the destruction of the articles, the internal revenue officer shall certify to their destruction on two copies of the notice of removal and return them to the export warehouse proprietor, who shall retain one copy for his records and file the other copy with his assistant regional commissioner.

(BBBB) Section 290.221 is amended to read:

§ 290.221 Application of drawback of tax.

Allowance of drawback of tax shall apply only to cigars, cigarettes, and cigarette papers and tubes, on which tax has been paid, when such articles are shipped to a foreign country, Puerto Rico, the Virgin Islands, or a possession of the United States. Such drawback shall be allowed only to the person who paid the tax on such articles and who files claim and otherwise complies with the provisions of this subpart.

(72 Stat. 1419, 68A Stat. 908; 26 U.S.C. 5706, 7653)

(CCCC) Section 290.222 is amended to read:

§ 290.222 Claim.

Claim for allowance of drawback of tax, under this subpart, shall be filed on Form 2147 with the assistant regional commissioner for the region in which the cigars, cigarettes, and cigarette papers and tubes covered by the claim are held by the claimant. Such claim shall be so filed in sufficient time to permit the assistant regional commissioner to detail an internal revenue officer to inspect the articles and supervise destruction of the stamps thereon denoting payment of tax or, where the tax has been paid by return, to supervise the affixture of a label or notice bearing the legend "For Export With Drawback of Tax." Upon receipt of a claim supported by satisfactory bond, as required by this subpart, the assistant regional commissioner shall assign an internal revenue officer to proceed to the place where the articles involved are held and there perform the functions required in § 290.224.

(72 Stat. 1419; 26 U.S.C. 5706)

(DDDD) Section 290.223 is amended to read:

§ 290.223 Drawback bond.

Each claim for allowance of drawback of tax, under this subpart, shall be accompanied by a bond, Form 2148, satisfactory to the assistant regional commissioner with whom the claim is filed. Such bond shall be in an amount not less than the amount of tax for which drawback is claimed, conditioned that the claimant shall furnish, within a reasonable time, evidence satisfactory to the assistant regional commissioner that the cigars, cigarettes, and cigarette papers and tubes have been landed at some port beyond the jurisdiction of the internal revenue laws of the United States, or that after clearance from the United States, the articles were lost (otherwise than by theft) or destroyed, by fire, casualty, or act of God, and have not been relanded within the limits of the United States. The provisions of §§ 290.121 and 290.122 are applicable with respect to any drawback bond required under this section.

(72 Stat. 1419; 26 U.S.C. 5706)

(EEEE) Section 290.224 is amended to read:

§ 290.224 Inspection by an internal revenue officer.

The internal revenue officer assigned in connection with a claim for drawback of tax, under this subpart, shall, at the place where the cigars, cigarettes, and cigarette papers and tubes covered by the claim are held by the claimant, examine such articles and satisfy himself as to the accuracy of the schedule of such articles appearing in the claim, Form 2147. Where the tax has been paid by stamp, the internal revenue officer will supervise destruction of the stamps on the packages. No particular mode of destruction of such stamps is prescribed, but the use of any indelible preparation which will render them illegible is approved. Where the tax on such articles has been paid by return, the internal revenue officer will satisfy himself that the articles have in fact been taxpaid and each package bears the label or notice required by § 290.222. When the stamps have been properly destroyed, or the packages bear the required label or notice, the internal revenue officer will supervise the packing of such articles in shipping containers, the numbering of each such container, and the affixture thereto of the following:

Drawback of tax claimed on contents.
Sale, consumption, or use in U.S. prohibited.

Thereafter, the internal revenue officer will execute his report on each copy of the claim, return two copies to the claimant, deliver one copy to the assistant regional commissioner, and release the shipment to the claimant for delivery to the port of exportation.

(72 Stat. 1419; 26 U.S.C. 5706)

(FFFF) Section 290.225 and the heading are amended to read:

§ 290.225 Delivery of cigars, cigarettes, and cigarette papers and tubes for export other than by parcel post.

The claimant, upon release of the cigars, cigarettes, and cigarette papers and tubes by the internal revenue officer for exportation with benefit of drawback of tax, under this subpart, shall be responsible for delivery of such articles to the port of exportation for customs inspection, supervision of lading, and clearance of the articles. The claimant, or his agent at said port, shall file with the collector of customs at the port of exportation in sufficient time, prior to lading, to permit his inspection and supervision of lading of the cigars, cigarettes, and cigarette papers and tubes, the two copies of the Form 2147 returned to the claimant by the internal revenue officer, in accordance with § 290.224.

(72 Stat. 1419; 26 U.S.C. 5706)

(GGGG) Section 290.226 and the heading are amended to read:

§ 290.226 Delivery of cigars, cigarettes, and cigarette papers and tubes for export by parcel post.

Where the cigars, cigarettes, and cigarette papers and tubes are to be shipped by parcel post to a destination in a foreign country, Puerto Rico, the Virgin Is-

lands, or a possession of the United States, a waiver of his right to withdraw such articles from the mails shall be stamped or written on each shipping container and be signed by the claimant, after which the claimant shall present the shipment to the post office. The claimant shall request the postmaster or his agent to execute the certificate of mailing on the copy of the claim, Form 2147, returned to the claimant by the internal revenue officer in accordance with § 290.224. When so executed by the postal authorities, the Form 2147 shall be transmitted at once to the assistant regional commissioner with whom the form was previously filed.

(72 Stat. 1419; 26 U.S.C. 5706)

(HHHH) Section 290.227 is amended to read:

§ 290.227 Customs procedure.

The inspector of customs shall satisfy himself that the cigars, cigarettes, and cigarette papers and tubes described on the Form 2147 and those inspected by him are the same, and shall note on the form any discrepancy. After having inspected the articles and supervised the lading thereof on the export carrier, the inspector shall complete and sign the certificate of inspection and lading on each copy of the Form 2147, and then deliver or transmit such copies of the form to the office of his collector of customs for further processing. After clearance from the port of the export carrier on which the articles are laden, the collector of customs shall execute the certificate of exportation on both copies of Form 2147. The collector shall retain one copy of the form for his record and transmit the other copy to the assistant regional commissioner of the region from which the articles were shipped.

(72 Stat. 1419; 26 U.S.C. 5706)

(IIII) Section 290.228 is amended to read:

§ 290.228 Landing certificate.

Each claimant for drawback under this subpart agrees in the bond filed by him that he will furnish, within a reasonable time, evidence satisfactory to the assistant regional commissioner that the cigars, cigarettes, and cigarette papers and tubes covered by his claim have been landed at some port beyond the jurisdiction of the internal revenue laws of the United States, or that after shipment from the United States the articles were lost, and have not been relanded within the limits of the United States. The landing certificate shall accurately describe the articles involved, so as to readily identify the drawback claim to which it relates. The landing certificate shall be signed by a revenue officer at the place of destination, unless it is shown that no such officer can furnish such landing certificate, in which case the certificate of landing shall be signed by the consignee, or by the vessel's agent at the place of landing, and shall be sworn to before a notary public or other officer authorized to administer oaths and having an official seal. The landing certificate shall be filed with the assistant regional commissioner, with whom the drawback claim was filed, within 6 months from the date of clearance of the cigars, cigarettes, and cigarette papers and tubes from the United States. A landing certificate prepared in a foreign language shall be accompanied by an accurate translation thereof in English.

(72 Stat. 1419; 26 U.S.C. 5706)

(JJJJ) Section 290.229 is amended to read:

§ 290.229 Collateral evidence as to landing.

In case of inability to furnish the prescribed evidence of landing, application for relief shall be promptly made by the claimant to the assistant regional commissioner with whom the drawback claim and bond were filed. Such application shall set forth the facts connected with the alleged exportation, and indicate the date of shipment, the kind, quantity, and value of cigars, cigarettes and cigarette papers and tubes shipped, the name of the consignee, the name of the vessel, the port or place of destination to which the shipment was made, and the date and amount of the bond covering such shipment. The application shall also state in what particular the provisions of this subpart, respecting the proofs of landing, have not been complied with, and the cause of failure to furnish such proofs; that such failure was not occasioned by any lack of diligence on the part of the claimant, or that of his agents; and that he is unable to furnish any other or better evidence than that furnished with his application. Each such application shall be supported by the best collateral evidence the claimant may be able to submit. The evidence may consist of the original or verified copies of letters from the consignee advising the claimant of the arrival or sale of the cigars, cigarettes, and cigarette papers and tubes, with such other statements respecting the failure to furnish the prescribed evidence of landing as may be obtained from the consignee or other persons having knowledge thereof. Such letters and other documents in a foreign language shall be accompanied by accurate translations thereof in English, and, when the letters fail to identify sufficiently the cigars, cigarettes, and cigarette papers and tubes, the original sales account must be produced.

(72 Stat. 1419; 26 U.S.C. 5706)

(KKKK) Section 290.230 is amended to read:

§ 290.230 Proof of loss.

When the claimant is unable to procure a certificate of landing, in accordance with the provisions of § 290.228, in consequence of loss of the cigars, cigarettes, and cigarette papers and tubes, his application for relief shall set forth the extent of the loss and, if possible, the location and manner of shipwreck or other casualty and the time of its occurrence. When obtainable, affidavits of the vessel's owners should be furnished detailing the manner and extent of the loss and the time and location of the disaster. If the cigars, cigarettes, and cigarette papers and tubes were insured, the claimant shall furnish certificates by officers of the insurance companies that the insurance has been paid, and that, to the best of their knowledge and belief, the cigars, cigarettes, and cigarette papers and tubes were actually destroyed. The aforesaid proof shall be furnished to the assistant regional commissioner within 6 months from the date of clearance of the cigars, cigarettes, and cigarette papers and tubes from the United States.

(72 Stat. 1419; 26 U.S.C. 5706)

(LLLL) Section 290.253 is amended to read:

§ 290.253 Class designation for large cigars.

Every package of large cigars shall, before withdrawal from the customs warehouse under this subpart, have adequately imprinted thereon, or on a label securely affixed thereto, a class designation corresponding with the rate of tax under section 5701(a)(2), I.R.C., applicable to similar cigars withdrawn for taxable purposes. The appropriate class designation shall be stated in the following manner:

Class A. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be not more than 2½ cents each;

Class B. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 2½ cents each and not more than 4 cents each;

Class C. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 4 cents each and not more than 6 cents each;

Class D. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 6 cents each and not more than 8 cents each;

Class E. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 8 cents each and not more than 15 cents each;

Class F. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 15 cents each and not more than 20 cents each; or

Class G. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 20 cents each.

(72 Stat. 1422; 26 U.S.C. 5723)

(MMMM) Section 290.255 is amended to read:

§ 290.255 Consignment of cigars.

Cigars withdrawn from a customs warehouse, without payment of tax, under internal revenue bond and this part, shall be consigned in the same manner as provided by Subpart J of this part with respect to the removal of cigars, cigarettes, and cigarette papers and tubes from a factory or an export warehouse.

(NNNN) Section 290.264 is amended to read:

§ 290.264 To internal revenue export warehouses.

Where cigars are withdrawn from a customs warehouse for delivery to an internal revenue export warehouse, the

proprietor of the customs warehouse shall forward to the proprietor of the internal revenue export warehouse three copies of the notice of removal, Form 2149, covering the shipment, for execution and disposition in accordance with procedure similar to that set forth in § 290.200 in connection with a shipment of cigars, cigarettes, and cigarette papers and tubes from a factory to an export warehouse. The executed copy of the notice of removal, Form 2149, returned to the customs warehouse proprietor by the internal revenue export warehouse proprietor shall be filed with the appropriate assistant regional commissioner.

PART 295—REMOVAL OF CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES, WITHOUT PAYMENT OF TAX, FOR USE OF THE UNITED STATES

PAR. 6. Title 26 CFR Part 295 is amended by eliminating all provisions relating to manufactured tobacco and to tobacco materials; by referring to cigars and cigarettes rather than to tobacco products, except where the reference is to a holder of a permit as a manufacturer of tobacco products; by adding to the definition of "Tobacco products" in § 295.11, the sentence "The term does not include smoking tobacco, chewing tobacco, or snuff."; and by making necessary conforming changes. The amendments are as follows:

(A) The heading of 26 CFR Part 295 is amended to read: "Part 295—Removal of Cigars, Cigarettes, and Cigarette Papers and Tubes, Without Payment of Tax, For Use of the United States."

(B) Section 295.1 and the heading are amended to read:

§ 295.1 Removal of cigars, cigarettes, and cigarette papers and tubes, without payment of tax, for use of the United States.

This part contains the regulations relating to the removal of cigars, cigarettes, and cigarette papers and tubes, without payment of tax, for use of the United States.

(C) Section 295.11 is amended to delete the definition of "Manufactured tobacco" and to amend the definitions of "Factory," "Manufacturer of tobacco products," "Package," "Removal or remove," and "Tobacco products" to read:

§ 295.11 Meaning of terms.

* * * * *

Factory. The premises of a manufacturer of cigars, cigarettes, or cigarette papers and tubes in which he carries on such business.

* * * * *

Manufacturer of tobacco products. Any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes, solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

Package. The container in which cigars, cigarettes, or cigarette papers or tubes are put up by the manufacturer and offered for sale or delivery to the consumer.

* * * * *

Removal or remove. The removal of cigars, cigarettes, or cigarette papers or tubes from the factory.

* * * * *

Tobacco products. Cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

* * * * *

(D) Section 295.23 is amended to read:

§ 295.23 Authority of internal revenue officers to enter premises.

Any internal revenue officer may enter in the daytime any premises where cigars, cigarettes, or cigarette papers or tubes removed under this part are kept, so far as it may be necessary for the purpose of examining such articles. When such premises are open at night, any internal revenue officer may enter them, while so open, in the performance of his official duties. The owner of such premises, or person having the superintendence of the same, who refuses to admit any internal revenue officer or permit him to examine the articles removed under this part shall be liable to the penalties prescribed by law for the offense.

(68A Stat. 872, 903; 26 U.S.C. 7342, 7606)

(E) Section 295.25 and the heading are amended to read:

§ 295.25 Unlawful purchase, receipt, possession, or sale of cigars, cigarettes, or cigarette papers or tubes, after removal.

Any person who, with intent to defraud the United States, purchases, receives, possesses, offers for sale, or sells or otherwise disposes of cigars, cigarettes, or cigarette papers or tubes which, after removal under this part, without payment of tax, have been diverted from the purpose or use specified in this part, shall be subject to the criminal penalties and provisions for forfeiture prescribed by law.

(72 Stat. 1424, 1425, as amended, 1426; 26 U.S.C. 5751, 5762, 5763)

(F) Section 295.31 is amended to read:

§ 295.31 Restrictions.

Cigars, cigarettes, and cigarette papers and tubes purchased by a Federal agency with funds appropriated by the Congress of the United States may be removed, without payment of tax, in accordance with this part, for delivery to such Federal agency for gratuitous distribution under the supervision of such agency. Such articles purchased by a donor from a manufacturer, or donated directly by a manufacturer, may also be removed, without payment of tax, in accordance with this part, for delivery to a Federal agency for gratuitous distribution under the supervision of such agency to (1) charges of the United States or (2) patients in a hospital or institution operated by the Government of a State or the District of Columbia where the Federal agency maintains a program for such distribution to members or veterans of the armed forces of the United States in such hospital or institution. Cigars, cigarettes, and cigarette papers and tubes removed under the provisions of this part may not be sold subsequent to removal.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(G) Section 295.32 is amended to read:

§ 295.32 Under manufacturer's bond.

Removals of cigars, cigarettes, and cigarette papers and tubes under this part shall be made under the bond filed by the manufacturer of such articles to cover the operations of his factory as required by section 5711, I.R.C., and regulations issued thereunder.

(72 Stat. 1418, as amended, 1421, as amended; 26 U.S.C. 5704, 5711)

(H) Section 295.33 is amended to read:

§ 295.33 Return of shipment to factory.

Cigars, cigarettes, and cigarette papers and tubes which have been removed, under this part, may be returned to the factory without internal revenue supervision.

(72 Stat. 1418, as amended; 26 U.S.C. 5704)

(I) Section 295.34 is amended to read:

§ 295.34 Loss or shortage in shipment.

Immediately upon receipt of information of a loss of all or part of a shipment, or of a shortage therein, of cigars, cigarettes, or cigarette papers or tubes removed under this part, the manufacturer shall notify the assistant regional commissioner for the region in which the factory from which the articles were removed is located, furnish all pertinent details with respect to the loss or shortage, and either pay the tax due thereon in accordance with the provisions of §295.36, or file claim for remission of the tax liability under the provisions of Parts 270 or 285 of this chapter, as the case may be.

(72 Stat. 1417, 1419, as amended; 26 U.S.C. 5703, 5705)

(J) Section 295.35 is amended to read:

§ 295.35 Liability for tax.

The manufacturer who removes cigars, cigarettes, or cigarette papers or tubes under this part shall be liable for the taxes imposed thereon by section 5701, I.R.C., until such cigars, cigarettes, or cigarette papers or tubes are received by the Federal agency. Any person who possesses cigars, cigarettes, or cigarette papers or tubes in violation of section 5751(a) (1) or (2), I.R.C., shall be liable for a tax equal to the tax on such articles.

(72 Stat. 1417, 1424; 26 U.S.C. 5703, 5751)

(K) Section 295.36 is amended to read:

§ 295.36 Payment of tax.

Any tax which becomes due and payable on cigars, cigarettes, and cigarette papers and tubes removed under this part shall be paid to the district director,

for the district in which the factory from which such articles were removed is located, with sufficient information to identify the taxpayer, the nature and purpose of the payment, and the articles covered by the payment: *Provided*, That a manufacturer of tobacco products or cigarette papers or tubes may pay any tax for which he becomes liable under this part by an appropriate adjustment in his current semimonthly tax return, Form 3071, or his monthly tax return, Form 2137, as the case may be. In paying the tax, a fractional part of a cent shall be disregarded unless it amounts to one-half cent or more, in which case it shall be increased to one cent.

(68A Stat. 778, 72 Stat. 1417; 26 U.S.C. 6313, 5703)

(L) Section 295.37 is amended to read:

§ 295.37 Assessment.

Whenever any person required by law to pay tax on cigars, cigarettes, and cigarette papers and tubes fails to pay such tax, the tax shall be ascertained and assessed against such person, subject to the limitations prescribed in section 6501, I.R.C. The tax so assessed shall be in addition to the penalties imposed by law for failure to pay such tax when required. Except in cases where delay may jeopardize collection of the tax, or where the amount is nominal or the result of an evident mathematical error, no such assessment shall be made until and after notice has been afforded such person to show cause against assessment. The person will be allowed 45 days from the date of such notice to show cause, in writing, against such assessment.

(72 Stat. 1417; 26 U.S.C. 5703)

(M) Section 295.41 is amended to read:

§ 295.41 Packages.

All cigars, cigarettes, and cigarette papers and tubes shall, before removal under this part, be put up by the manufacturer in packages which shall be of such construction as will securely contain the articles therein and maintain the mark, notice, and label thereon, as required by this subpart. No package of cigars, cigarettes, or cigarette papers or tubes shall have contained therein, attached thereto, or stamped, marked, written, or printed thereon (a) any certificate, coupon, or other device purporting to be or to represent a ticket, chance, share, or an interest in, or dependent on, the event of a lottery, or (b) any indecent or immoral picture, print, or representation.

(72 Stat. 1422; 26 U.S.C. 5723)

(N) Section 295.42 and the heading are amended to make them conform to similar provisions in 26 CFR Part 270. As amended, § 295.42 reads:

§ 295.42 Mark.

Every package of cigars and cigarettes shall before removal from the factory under this part, have adequately imprinted thereon, or on a label securely affixed thereto, a mark as specified in this section. The mark may consist of the name of the manufacturer removing the product and the location (by city and State) of the factory from which the products are to be so removed, or may consist of the permit number of the factory from which the products are to be so removed. (Any trade name of the manufacturer approved as provided in § 270.65 of this chapter may be used in the mark as the name of the manufacturer.) As an alternative, where cigars or cigarettes are both packaged and removed by the same manufacturer, either at the same or different factories, the mark may consist of the name of such manufacturer if the factory where packaged is identified on or in the package by a means approved by the Director. Before using the alternative, the manufacturer shall notify the Director in writing of the name to be used as the name of the manufacturer and the means to be used for identifying the factory where packaged. If approved by him the Director shall return approved copies of the notice to the manufacturer. A copy of the approved notice shall be retained as part of the factory records at each of the factories operated by the manufacturer.

(72 Stat. 1422; 26 U.S.C. 5723)

§ 295.43 [Deleted]

(O) Section 295.43 is deleted.

(P) Section 295.44 is amended to read:

§ 295.44 Notice for cigars.

Every package of cigars shall, before removal under this part, have adequately imprinted thereon, or on a label securely affixed thereto, the designation "cigars," the quantity of such product contained therein, and the classification of the product for tax purposes, i.e., for small cigars, either "small" or "little," and for large cigars, the appropriate following class designation which corresponds with the rate of tax imposed by section 5701(a)(2), I.R.C.:

(a) "A. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be not more than 2½ cents each";

(b) "B. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 2½ cents each and not more than 4 cents each";

(c) "C. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 4 cents each and not more than 6 cents each";

(d) "D. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 6 cents each and not more than 8 cents each";

(e) "E. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 8 cents each and not more than 15 cents each";

(f) "F. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 15 cents each and not more than 20 cents each"; or

(g) "G. The ordinary retail price of the cigars herein contained is intended by the manufacturer to be more than 20 cents each".

(72 Stat. 1422; 26 U.S.C. 5723)

(Q) Section 295.46 is amended to read:

§ 295.46 Tax-exempt label.

Every package of cigars, cigarettes, and cigarette papers and tubes removed under this part shall have the words "Tax-Exempt. For Use of U.S. Not To Be Sold." adequately imprinted on the package or on a label securely affixed thereto.

(72 Stat. 1422; 26 U.S.C. 5723)

(R) Section 295.51 is amended to read:

§ 295.51 Supporting record.

Every manufacturer who removes cigars, cigarettes, and cigarette papers and tubes under this part shall, in addition to the records kept under Part 270 of this chapter, keep a supporting record of such removals and shall make appropriate entries therein at the time of removal. The supporting record shall show, with respect to each removal, the date of removal, the name and address of the Federal agency to which shipped or delivered, the quantity and, with respect to large cigars, the class, for tax purposes. Appropriate entries shall also be made in the supporting record of any cigars, cigarettes, or cigarette papers or tubes removed under this part which are returned to the factory. Where the manufacturer keeps, at the factory, copies of invoices or other commercial records containing the information required as to each removal, in such orderly manner that such information may be readily ascertained therefrom, such copies will be considered the supporting record required by this section. The supporting record shall be retained by the manufacturer for 3 years following the close of the year covered therein and shall be made available for inspection by any internal revenue officer upon his request.

(72 Stat. 1423, as amended; 26 U.S.C. 5741)

PART 296—MISCELLANEOUS REGULATIONS RELATING TO CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES

PAR. 7. Title 26 CFR Part 296 is amended by eliminating all provisions relating to manufactured tobacco and to tobacco materials; by referring to cigars and cigarettes rather than to tobacco products, except where the reference is to a holder of a permit as a manufacturer of tobacco products; by changing § 296.11, in the last sentence, to provide for the filing of powers of attorney for agents of surety companies, with the assistant regional commissioners; by adding to the definition of "Tobacco products" in §§ 296.72 and 296.163, the sentence "The term does not include smoking tobacco, chewing tobacco, or snuff."; and by making necessary conforming changes. The amendments are as follows:

(A) The heading of 26 CFR Part 296 is amended to read: "Part 296—Miscellaneous Regulations Relating to Cigars, Cigarettes, and Cigarette Papers and Tubes."

(B) The heading of Subpart A is amended to read:

Subpart A—Application of Section 6423, Internal Revenue Code of 1954, as Amended, to Refund or Credit of Tax on Cigars, Cigarettes, and Cigarette Papers and Tubes

(C) Section 296.11 is amended to read:

§ 296.11 Corporate surety.

Surety bonds required by this subpart may be given only with corporate sureties holding certificates of authority from and subject to the limitations prescribed by the Secretary of the Treasury as set forth in Treasury Department Circular No. 570, as revised. Powers of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of such corporate sureties shall be filed with the assistant regional commissioner with whom any bond executed by such agent or officer is filed.

(D) The heading of Subpart C is amended to read:

Subpart C—Losses of Cigars, Cigarettes, and Cigarette Papers and Tubes Caused by a Disaster Occurring After the Date of Enactment of the Excise Tax Technical Changes Act of 1958

(E) Section 296.71 is amended to read:

§ 296.71 Scope of subpart.

This subpart prescribes the requirements necessary to implement section 5708, I.R.C., concerning payments which may be made by the United States in respect to the internal revenue taxes paid or determined and customs duties paid on cigars, cigarettes, and cigarette papers and tubes removed, which were lost, rendered unmarketable, or condemned by a duly authorized official by reason of a disaster occurring in the United States on or after September 3, 1958.

(F) Section 296.72 is amended to change the definitions of "Claimant," "Duly authorized official," "I.R.C.," "Removal or remove," "Tax paid or determined," and "Tobacco products," to read as follows:

§ 296.72 Meaning of terms.

* * * * *

Claimant. The person who held the cigars, cigarettes, or cigarette papers or tubes for sale at the time of the disaster and who files claim under this subpart.

* * * * *

Duly authorized official. Any Federal, State, or local government official in whom has been vested authority to condemn cigars, cigarettes, and cigarette papers and tubes made the subject of a claim under this subpart.

* * * * *

I.R.C. The Internal Revenue Code of 1954, as amended.

Removal or remove. The removal of cigars, cigarettes, or cigarette papers or tubes from the factory, or release of such articles from customs custody.

Tax paid or determined. The internal revenue tax on cigars, cigarettes, and cigarette papers and tubes which has actually been paid, or which has been determined pursuant to section 5703(b), I.R.C., and regulations thereunder, at the time of their removal subject to tax payable on the basis of a return.

Tobacco products. Cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

* * * * *

(G) Section 296.73 is amended to read:

§ 296.73 Circumstances under which payment may be made.

Assistant regional commissioners shall allow payment (without interest) of an amount equal to the amount of tax paid or determined, and the Commissioner of Customs shall allow payment (without interest) of an amount equal to the amount of customs duty paid, on cigars, cigarettes, and cigarette papers and tubes removed, which are lost, rendered unmarketable, or condemned by a duly authorized official by reason of a disaster occurring in the United States on and after September 3, 1958. Such payments may be made only if, at the time of the disaster, such cigars, cigarettes, or cigarette papers or tubes were being held for sale by the claimant. No payment shall be made under this subpart with respect to any amount of tax or duty claimed or to be claimed under any other provision of law or regulations.

(H) Section 296.74 is amended to read:

§ 296.74 Execution and filing of claims.

Claims under this subpart shall be executed on Form 843 (Internal Revenue) in accordance with such instructions thereon as are applicable, and filed with the assistant regional commissioner of the internal revenue region in which the cigars, cigarettes, or cigarette papers or tubes were lost, rendered unmarketable, or condemned, within 6 months after the date on which the President makes the determination that the disaster has occurred. The claim shall state all the facts on which the claim is based, and shall set forth the number of small cigars, large cigars (itemized separately as to each tax class), small cigarettes, large cigarettes, cigarette papers, and cigarette tubes, as the case may be, and the rate of tax and the amount claimed with respect to each article set forth, substantially in the form as shown in the example below.

EXAMPLE

Quantity	Article and tax class	Rate of tax [1]	Amount
20,000	Small cigars	$0.75 per M	$15.00
5,000	Large cigars—class D.	$7 per M	35.00
1,000	Large cigars—class E.	$10 per M	10.00
500	Large cigars—class G.	$20 per M	10.00
10,000	Small cigarettes	$4 per M	40.00
5,000	Large cigarettes	$8.40 per M	42.00
2,000 sets	Cigarette papers—50 each set.	$0.00 ½ per set.	10.00
1,000 sets	Cigarette papers—100 each set.	$0.01 per set	10.00
1,000	Cigarette tubes	$0.01 per 50 tubes.	.20
Total claimed			172.20

[1] Rates shown are those in effect on Jan. 1, 1966. The claimant shall certify on the claim to the effect that no amount of internal revenue tax or customs duty claimed therein has been or will be otherwise claimed under any other provision of law or regulations.

(I) Section 296.75 and the heading are amended to read:

§ 296.75 Separation of imported and domestic cigars, cigarettes, and cigarette papers and tubes; separate claims for taxes and duties.

If a claim involves taxes on domestic cigars, cigarettes, or cigarette papers or tubes and imported cigars, cigarettes, or cigarette papers or tubes, the quantities of each must be shown separately in the claim. A separate claim must be filed, with the assistant regional commissioner, in respect of customs duties.

(J) Section 296.76 is amended to read:

§ 296.76 Claimant to furnish satisfactory proof.

The claimant shall furnish proof to the satisfaction of the assistant regional commissioner regarding the following:

(a) That the tax on such cigars, cigarettes, or cigarette papers or tubes has been paid or determined and customs duty has been paid;

(b) That such cigars, cigarettes, or cigarette papers or tubes were lost, rendered unmarketable, or condemned by a duly authorized official, by reason of a disaster;

(c) The type and date of occurrence of the disaster and the location of the cigars, cigarettes, or cigarette papers or tubes at that time;

(d) That the claimant was not indemnified by any valid claim of insurance or otherwise in respect of the tax, or tax and duty, on the cigars, cigarettes, or cigarette papers or tubes covered by the claim; and

(e) That the claimant is entitled to payment under this subpart.

(K) Section 296.77 is amended to read:

§ 296.77 Supporting evidence.

The claimant shall support his claim with any evidence (such as inventories, statements, invoices, bills, records, stamps, and labels) that he is able to submit, relating to the cigars, cigarettes, or cigarette papers or tubes on hand at the time of the disaster and averred to have been lost, rendered unmarketable, or condemned as a result thereof. If the claim is for refund of duty the claimant shall furnish, if practicable, the customs entry number, date of entry, and the name of the port of entry.

(L) Section 296.78 is amended to read:

§ 296.78 Action by assistant regional commissioner.

The assistant regional commissioner will date stamp and examine each claim filed under this subpart and will determine the validity of the claim. The

claim will then be processed by him in accordance with existing procedures. Claims and supporting data involving customs duties will be forwarded to the Commissioner of Customs with a summary statement by the assistant regional commissioner concerning his findings. The Commissioner of Customs will notify the assistant regional commissioner as to allowance under this subpart of claims for duty in respect of unmarketable or condemned cigars, cigarettes, and cigarette papers and tubes.

(M) The undesignated centerhead immediately preceding § 296.79 is amended to read:

DESTRUCTION OF CIGARS, CIGARETTES, AND CIGARETTE PAPERS AND TUBES

(N) Section 296.79 is amended to read:

§ 296.79 Supervision.

Before payment is made under this subpart in respect of the tax, or tax and duty, on cigars, cigarettes, or cigarette papers or tubes rendered unmarketable or condemned by a duly authorized official, such cigars, cigarettes, or cigarette papers or tubes shall be destroyed by suitable means under the supervision of an internal revenue officer who will be assigned for that purpose by the assistant regional commissioner, unless such cigars, cigarettes, or cigarette papers or tubes were previously destroyed under supervision satisfactory to the assistant regional commissioner.

(O) Section 296.80 is amended to read:

§ 296.80 Penalties.

Penalties are provided in sections 7206 and 7207 of the Internal Revenue Code for the execution under the penalties of perjury of any false or fraudulent statement in support of any claim and for the filing of any false or fraudulent document under this subpart. All provisions of law, including penalties, applicable in respect of internal revenue taxes on cigars, cigarettes, and cigarette papers and tubes shall, insofar as applicable and not inconsistent with this subpart, be applied in respect of the payments provided for in this subpart to the same extent as if such payments constituted refunds of such taxes.

(P) Section 296.91 is amended to read:

§ 296.91 Scope of subpart.

This subpart relates to the submission of powers of attorney given in support of bonds required or provided for by regulations prescribed in this part, and in Parts 270, 285, and 290 of this chapter, authorizing agents and officers to execute bonds or extensions of coverage of bonds on behalf of corporate sureties.

(Q) Section 296.92 is amended to read:

§ 296.92 General.

Notwithstanding any other provisions of the regulations in this part, or in Parts 270, 285, and 290 of this chapter, powers of attorney authorizing agents or officers to execute bonds or extensions of coverage of bonds on behalf of corporate sureties shall be submitted and passed on as provided in this subpart.

(R) Section 296.101 is amended to read:

§ 296.101 Scope of regulations.

This subpart provides temporary regulations respecting (a) the periods to be covered by tax returns filed by manufacturers on Form 3071 for the deferred payment of taxes on cigars and cigarettes, and (b) the time for filing such returns, with remittances.

(S) Section 296.103 is amended to read:

§ 296.103 General.

Notwithstanding any provision of Part 270 of this chapter relating to (a) the periods to be covered by returns on Form 3071 for the deferred payment of taxes on cigars and cigarettes, and (b) the times for filing of such returns for the deferred payment of taxes, manufacturers shall file returns for deferred payment of taxes with remittances, for the periods, and by the times, provided in this subpart.

(T) The heading of Subpart G is amended to read:

Subpart G—Dealers in Cigars and Cigarettes

(U) Section 296.161 is amended to read:

§ 296.161 Scope of subpart.

The regulations in this subpart relate to the purchase, receipt, possession, offering for sale, or sale or other disposition of cigars and cigarettes by dealers in such products.

(V) Section 296.163 is amended to change the definitions of "Dealer," "Manufacturer of tobacco products," "Package," "Removal or remove," and "Tobacco products," to read as follows:

§ 296.163 Meaning of terms.

* * * * *

Dealer. Any person who sells, or offers for sale, at wholesale or retail levels, any cigars or cigarettes after removal.

* * * * *

Manufacturer of tobacco products. Any person who manufactures cigars or cigarettes, except that such term shall not include (a) a person who produces cigars or cigarettes, solely for his own personal consumption or use; or (b) a proprietor of a customs bonded manufacturing warehouse with respect to the operation of such warehouse.

Package. The container in which cigars or cigarettes are put up by the manufacturer or the importer and offered for sale or delivery to the consumer.

* * * * *

Removal or remove. The removal of cigars or cigarettes from the factory or release from customs custody, including the smuggling or other unlawful importation of such articles into the United State.

Tobacco products. Cigars and cigarettes. The term does not include smoking tobacco, chewing tobacco, or snuff.

* * * * *

(W) Section 296.164 is amended to read:

§ 296.164 Authority of internal revenue officers to enter premises.

Any internal revenue officer may enter in the daytime any premises where cigars or cigarettes are kept or stored, so far as it may be necessary for the purpose of examining such products. When such premises are open at night, any internal revenue officer may enter them, while so open, in the performance of his official duties. The owner of such premises, or person having the superintendence of the same, who refuses to admit any internal revenue officer or permit him to examine such products shall be liable to the penalties prescribed by law for the offense. Operators of vending machines shall make the cigars and cigarettes in their machines available for inspection upon the request of any internal revenue officer.

(68A Stat. 872, 903; 26 U.S.C. 7342, 7606)

(X) Section 296.166 and the heading are amended to read:

§ 296.166 Dealing in cigars and cigarettes.

All cigars and cigarettes purchased, received, possessed, offered for sale, sold or otherwise disposed of, by any dealer must be in proper packages which bear the mark and notice as prescribed in Parts 270 and 275 of this chapter. Cigars and cigarettes may be sold, or offered for sale, at retail from such packages, provided the products remain in the packages until removed by the customer or in the presence of the customer. Where a vending machine is used, cigars and cigarettes must similarly be vended in proper packages or directly from such packages.

(72 Stat. 1424; 26 U.S.C. 5751)

(Y) Section 296.167 is amended to read:

§ 296.167 Liability to tax.

Any dealer who, with intent to defraud the United States, possesses cigars or cigarettes (1) upon which the tax has not been paid or determined in the manner and at the time prescribed in Parts 270 and 275 of this chapter or (2) which, after removal without payment of tax pursuant to section 5704, I.R.C., and regulations issued thereunder, have been diverted from the applicable purpose or use specified in that section or (3) which are not put up in packages prescribed in

Parts 270 and 275 of this chapter or are put up in packages not bearing the marks and notices prescribed in such regulations shall be liable for a tax equal to the tax on such products.

(72 Stat. 1424; 26 U.S.C. 5751)

Because the amendments made by this Treasury decision conform the regulations to statutory provisions and are otherwise conforming in nature, it is found that it is impracticable and unnecessary to issue this Treasury decision with notice and public procedure under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of said Act.

(Sec. 7805, Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805))

[SEAL] SHELDON S. COHEN,
Commissioner of Internal Revenue.

Approved: December 27, 1965.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

[F.R. Doc. 66-8; Filed, Jan. 3, 1966; 8:45 a.m.]