

FEDERAL REGISTER

VOLUME 31 • NUMBER 9

Friday, January 14, 1966 • Washington, D.C.

Pages 469-527

PART I

(Part II begins on page 497)

Agencies in this issue—

Agency for International Development
Agricultural Stabilization and
Conservation Service
Allen Property Office
Civil Aeronautics Board
Civil Service Commission
Commodity Credit Corporation
Consumer and Marketing Service
Education Office
Federal Aviation Agency
Federal Coal Mine Safety Review
Board
Federal Communications Commission
Federal Deposit Insurance Corporation
Federal Maritime Commission
Federal Power Commission
Foreign Assets Control Office
Geological Survey
Interstate Commerce Commission
Land Management Bureau
Post Office Department
Securities and Exchange Commission
Small Business Administration
Vocational Rehabilitation
Administration

Detailed list of Contents appears inside.



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[Revised as of January 1, 1965]

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(Codification Guide)

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A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1966, and specifies how they are affected.

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Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission PART 213—EXCEPTED SERVICE

Department of Defense

Section 213.3106 is amended to show that eight positions of Regional Director in the Office of the Assistant Secretary of Defense (Civil Defense) are no longer excepted under Schedule A. Effective on publication in the FEDERAL REGISTER, subparagraph (5) of paragraph (a) of § 213.3106, having expired by its own terms, is revoked.

(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. 66-456; Filed, Jan. 13, 1966;
8:45 a.m.]

PART 213—EXCEPTED SERVICE

Department of State

Section 213.3304 is amended to show the exception under Schedule C of the position of Executive Assistant to the Special Assistant to the Secretary (Food-for-Peace Program) and that the position of Personal Assistant to the Director, Food for Peace, Office of the Under Secretary, is no longer excepted under Schedule C. Effective on publication in the FEDERAL REGISTER, subparagraph (15) of paragraph (a) of § 213.3304 is revoked and subparagraph (22) is added to paragraph (a) as set out below.

§ 213.3304 Department of State.

(a) *Office of the Secretary.* * * *

(22) One Executive Assistant, Office of the Special Assistant to the Secretary (Food-for-Peace Program).

(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. 66-454; Filed, Jan. 13, 1966;
8:45 a.m.]

PART 213—EXCEPTED SERVICE

Department of Commerce

Section 213.3314 is amended to show the exception under Schedule C of the

position of Deputy Under Secretary for Transportation, that the positions of Deputy Under Secretary for Transportation (Operations) and of Director, Transportation Research Staff, are no longer excepted under Schedule C, and that the position of Private Secretary to the Deputy Under Secretary for Transportation (Operations) now reports to the Deputy Under Secretary for Transportation. Effective on publication in the FEDERAL REGISTER, paragraph (a) of § 213.3314 is amended as follows: Subparagraph (7) is amended, subparagraphs (17) and (32) are revoked, and subparagraph (38) is added as set out below.

§ 213.3314 Department of Commerce.

(a) *Office of the Secretary.* * * *

(7) One Private Secretary to the Deputy Under Secretary for Transportation.

(38) One Deputy Under Secretary for Transportation.

(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. 66-455; Filed, Jan. 13, 1966;
8:45 a.m.]

Title 7—AGRICULTURE

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

SUBCHAPTER A—AGRICULTURAL CONSERVATION PROGRAMS

[ACP-1966, Supp. 2]

PART 701—NATURAL AGRICULTURAL CONSERVATION

Subpart—1964

MAXIMUM FEDERAL COST-SHARE LIMITATION

Section 701.29 of the regulations governing the National Agricultural Conservation Program, 7 CFR Part 701, as amended, is further amended, effective with respect to approvals of Federal cost-sharing issued on and after February 1, 1966, as follows:

1. Paragraph (b) is amended by deleting the words "or which has the effect of evading" as they appear before the words "the provisions of this section."

2. A new paragraph (c) is added as follows:

§ 701.29 Maximum Federal cost-share limitation.

(c) For the purpose of applying the maximum Federal cost-share limitation, the rules in subparagraphs (1) through (9) of this paragraph shall apply in determining whether certain individuals who may have an interest in the ownership or operation of a farm or ranch are to be considered as one person or as separate persons. In cases where more than one rule would appear to be applicable, the rule which is the most restrictive as to the number of persons shall apply.

(1) *Husband and wife.* Husband and wife shall be considered as one person for all farms in which either has an interest except that a husband or wife shall be considered a separate person with respect to any farm as to which all of the conditions set forth in subparagraph (9) are met.

(2) *Family groups.* Members of the same family shall be considered as one person for all farms in which any member has an interest except that any member shall be considered a separate person with respect to any farm as to which all the conditions set forth in subparagraph (9) are met.

(3) *Partnerships.* A partnership and its members shall be considered as one person for all farms in which the partnership or any member thereof has an interest except that the partnership or any member thereof shall be considered a separate person with respect to any farm as to which all the conditions set forth in subparagraph (9) are met: *Provided*, That in no event shall cost-sharing be approved for both the partnership and the individual members thereof on the same farm.

(4) *Corporations.* A corporation (including a grazing association) and its shareholders or members shall be considered as one person for all farms in which the corporation or any shareholder or member has an interest except that the corporation or any shareholder or member thereof shall be considered a separate person with respect to any farm as to which all the conditions set forth in subparagraph (9) are met: *Provided*, That in no event shall cost-sharing be approved for both the corporation and the individual shareholders or members thereof on the same farm.

(5) *Trusts.* The trustee of a trust and the beneficiaries of the trust shall be considered as one person on all farms in which the trustee or any beneficiary of the trust has an interest except that the trustee or any beneficiary of the trust shall be considered a separate person with respect to any farm as to which all the conditions of subparagraph (9) are met: *Provided*, That in no event shall cost-sharing be approved for both the

trustee and the beneficiaries of the trust on the same farm.

(6) *Estates.* The administrator or executor of an estate and the heirs thereof shall be considered as one person on all farms in which the administrator or executor or any heir thereof has an interest except that the administrator or executor or any heir of the estate shall be considered a separate person with respect to any farm as to which all the conditions of subparagraph (9) are met: *Provided*, That in no event shall cost-sharing be approved for both the administrator or executor and the heirs of the estate on the same farm.

(7) *Tenants in common and joint tenants.* All tenants in common and joint tenants on a farm shall be considered as one person with respect to such farm.

(8) *Joint undertakings.* Two or more individuals acting as a group under an arrangement which, although lacking the legal elements of a corporation or partnership, is in the nature of a joint undertaking shall be considered as one person with respect to any farm to which the joint undertaking applies. If any of the individuals has a separate interest in a farm with which the group is not involved, the payment limitation shall apply to the total of the payment earned by such individual and his share of the payment to the joint undertaking.

(9) *Exception.* The conditions which must be met in order for any individual or other entity referred to in subparagraphs (1), (2), (3), (4), (5), or (6) to be considered a separate person are as follows:

(i) The interests of such individual or other entity in the farm and income therefrom must be separate and distinct from the interests therein of the other individuals or entity referred to in the applicable subparagraph.

(ii) Such individual or other entity must exercise, separate from the other individuals or entity referred to in the applicable subparagraph, responsibility for management of such separate interests.

(iii) The contribution of such individual or other entity to the cost of performing the practice must be made from a fund or account over which the other individuals or entity referred to in the applicable subparagraph have no control.

Signed at Washington, D.C., on January 11, 1966.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 66-471; Filed, Jan. 13, 1966;
8:47 a.m.]

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

PART 910—LEMONS GROWN IN CALIFORNIA AND ARIZONA

Expenses and Rate of Assessment

On December 29, 1965, notice of rule making was published in the FEDERAL

REGISTER (30 F.R. 16210) regarding proposed expenses and the related rate of assessment for the period beginning November 1, 1965, and ending October 31, 1966, pursuant to the marketing agreement, as amended, and Order No. 910, as amended (7 CFR Part 910), regulating the handling of lemons grown in the States of California and Arizona. This regulatory program is effective under the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674). After consideration of all relevant matters presented, including the proposals set forth in such notice which were submitted by the Lemon Administrative Committee (established pursuant to said marketing agreement and order), it is hereby found and determined that:

§ 910.204 Expenses and rate of assessment.

(a) *Expenses.* Expenses that are reasonable and necessary to be incurred by the Lemon Administrative Committee during the period November 1, 1965, through October 31, 1966, will amount to \$235,988.

(b) *Rate of assessment.* The rate of assessment for said period, payable by each handler in accordance with § 910.41, is fixed at \$0.0175 per carton of lemons.

It is hereby further found that good cause exists for not postponing the effective date hereof until 30 days after publication in the FEDERAL REGISTER (5 U.S.C. 1001-1011) in that (1) the relevant provisions of said marketing agreement and this part require that the rate of assessment herein fixed shall be applicable to all assessable lemons handled during the aforesaid period, and (2) such period began on November 1, 1965, and said rate of assessment will automatically apply to all such lemons beginning with such date.

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

Dated: January 10, 1966.

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

[F.R. Doc. 66-449; Filed, Jan. 13, 1966;
8:46 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[Amdt. 7]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—Provisions for Participation of Commercial Banks in Pools of CCC Price Support Loans on Certain Commodities

INCREASE IN RATE OF INTEREST

The regulations issued by the Commodity Credit Corporation published in 29 F.R. 3614, as amended, containing the terms and conditions for participation in pools of CCC price support loans on cer-

tain commodities, are hereby further amended to change from 4.50 to 4.90 percent per annum, effective January 14, 1966, the rate of interest on certificates evidencing participation in financing price support loans.

Section 1421.3825(a) is amended to read as follows:

§ 1421.3825 Rate of interest and basis of computation of interest earned.

(a) *Rate of interest.* Certificates shall earn interest at the rate of 4.1 percent per annum through and including November 15, 1965, 4.25 percent per annum from November 16, 1965, through and including December 17, 1965, 4.50 percent per annum from December 18, 1965, through and including January 13, 1966, and 4.90 percent per annum thereafter.

(Secs. 4 and 5, 62 Stat. 1070, as amended; 15 U.S.C. 714 b and c)

Signed at Washington, D.C., on January 12, 1966.

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

[F.R. Doc. 66-490; Filed, Jan. 13, 1966;
8:47 a.m.]

[Amdt. 3]

PART 1427—COTTON

Subpart—Participation of Financial Institutions in Cotton Loan Pools

INCREASE IN RATE OF INTEREST

The regulations issued by the Commodity Credit Corporation published in 30 F.R. 7814, as amended, containing the terms and conditions under which financial institutions may participate in pools of CCC price support loans on cotton are hereby further amended to increase from 4.50 to 4.90 percent per annum, effective January 14, 1966, the rate of interest on certificates evidencing participation in financing cotton price support loans.

Section 1427.2239(a) is amended to read as follows:

§ 1427.2239 Rate of interest and basis of computation of interest earned.

(a) *Rate of interest.* Certificates shall earn interest at the rate of 4.1 percent per annum through and including November 15, 1965, 4.25 percent per annum from November 16, 1965, through and including December 17, 1965, 4.50 percent per annum from December 18, 1965, through and including January 13, 1966, and 4.90 percent per annum thereafter.

(Secs. 4 and 5, 62 Stat. 1070, as amended; 15 U.S.C. 714 b and c)

Signed at Washington, D.C., on January 12, 1966.

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

[F.R. Doc. 66-491; Filed, Jan. 13, 1966;
8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency [Docket No. 7108; Amdt. 39-181]

PART 39—AIRWORTHINESS DIRECTIVES

Hughes Models 269A, 269A-1, and 269B Helicopters

The Agency has determined that certain bulbs installed in the tail position lights on Hughes Models 269A, 269A-1, and 269B do not meet the intensity requirements of Federal Aviation Regulations section 27.1389. Since this condition is likely to exist or develop in other products of the same type design, an airworthiness directive is being issued to require replacement of low intensity bulbs with high intensity bulbs.

As a situation exists which demands immediate adoption of this regulation, it is found that notice and public procedure hereon are impracticable and good cause exists for making this amendment effective in less than 30 days.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (25 F.R. 6489), § 39.13 of Part 39 of the Federal Aviation Regulations is amended by adding the following new airworthiness directive:

HUGHES. Applies to Models 269A, 269A-1, and 269B helicopters.

Compliance required within the next 100 hours' time in service after the effective date of this AD, unless already accomplished.

To eliminate a possible navigational hazard, accomplish the following:

(a) On helicopters with the 12-volt electrical system, remove the existing tail position light bulb and replace it with General Electric No. 1777 bulb or FAA-approved equivalent.

(b) On helicopters with the 24-volt electrical system, remove the existing bulb and replace it with a Grimes No. 1683 bulb or FAA-approved equivalent.

(Hughes Service Notices Nos. 2A-54 (269A), 2A-1-21 (269A-1), and 2B-22 (269B) dated October 28, 1965, pertain to this same modification.)

(Secs. 313(a), 601, and 603, Federal Aviation Act of 1958; 49 U.S.C. 1354(a), 1421, 1423)

This amendment becomes effective January 14, 1966.

Issued in Washington, D.C., on January 10, 1966.

C. W. WALKER,
Acting Director,
Flight Standards Service.

[F.R. Doc. 66-430; Filed, Jan. 13, 1966; 8:45 a.m.]

[Airspace Docket No. 65-EA-100]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS

Alteration of VOR Federal Airway

The purpose of this amendment to Part 71 of the Federal Aviation Regula-

tions is to renumber the segment of V-472 from Franklin, Va., to Elizabeth City, N.C., as V-290.

The assignment of the new number to the segment of this airway will eliminate the multiple functions of V-472 and V-1 north and south of the Cofield, N.C., VORTAC and simplify flight planning. This action will add an additional segment to V-290 from Franklin, Va., to Elizabeth City, N.C.

Since this action is editorial in nature and imposes no additional burden on any person, notice and public procedure hereon are unnecessary and the amendment may be made effective immediately.

In consideration of the foregoing, Part 71 of the Federal Aviation Regulations is amended, effective 0001 e.s.t., March 31, 1966, as hereinafter set forth.

Section 71.123 (29 F.R. 17509; 30 F.R. 4670, 14526) is amended as follows:

1. In V-290 "to Flat Rock, Va.," is deleted and "to Flat Rock, Va. From Franklin, Va., to Elizabeth City, N.C." is substituted therefor.

2. In V-472 "From Franklin, Va., via Elizabeth City, N.C.;" is deleted and "From Elizabeth City, N.C., to" is substituted therefor.

(Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on January 7, 1966.

JAMES L. LAMPL,
Acting Chief, Airspace Regulations
and Procedures Division.

[F.R. Doc. 66-457; Filed, Jan. 13, 1966; 8:46 a.m.]

[Airspace Docket No. 65-WE-67]

PART 73—SPECIAL USE AIRSPACE

Alteration of Restricted Areas; Correction

The purpose of this amendment is to alter F.R. Doc. 65-12357 with respect to revocation of R-6406, Wendover, Utah.

On November 18, 1965, F.R. Doc. 65-12357 was published in the FEDERAL REGISTER (30 F.R. 14425), effective January 6, 1966, which, in part, established Restricted Areas R-6406A and R-6406B in place of R-6406. It was intended that R-6406 be revoked. Action is taken herein to correct this discrepancy.

Since this alteration to F.R. Doc. 65-12357 is editorial in nature, notice and public procedure hereon are unnecessary and this action may be made effective immediately.

In consideration of the foregoing, F.R. Doc. 65-12357 is amended, effective immediately, as hereinafter set forth.

In Item 2, subparagraph f. is added to read as follows:

R-6406, Wendover, Utah, is revoked. (Sec. 307(a), Federal Aviation Act of 1958; 49 U.S.C. 1348)

Issued in Washington, D.C., on January 6, 1966.

ARCHIE W. LEAGUE,
Director, Air Traffic Service.

[F.R. Doc. 66-431; Filed, Jan. 13, 1966; 8:45 a.m.]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

Proxy Rules; Correction

In F.R. Doc. 66-181 revising Part 240 of Chapter II of Title 17 of the Code of Federal Regulations, published on pages 211 through 215 of Volume 31 of the FEDERAL REGISTER on January 7, 1966, the following correction is made:

The last sentence of Instruction 2 under Item 14 of § 240.14a-101 which reads "The summary shall reflect the retroactive adjustment or any material items affecting the comparability of the results," should read "The summary shall reflect the retroactive adjustment of any material items affecting the comparability of the results."

By the Commission, January 7, 1966.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 66-442; Filed, Jan. 13, 1966; 8:45 a.m.]

Title 30—MINERAL RESOURCES

Chapter IV—Federal Coal Mine Safety Board of Review

PART 401—RULES OF PROCEDURE

Form and Filing of Applications

Section 401.3 and footnote 1 to § 401.4 of the rules of procedure are amended by changing the address of the Board office to "Room 707-8, Universal North Building, 1875 Connecticut Avenue NW., Washington, D.C., 20452." As so amended § 401.3 and footnote 1 to § 401.4 read as follows:

§ 401.3 Where to file.

Each application shall be filed with the Secretary of the Board, at the principal office of the Board in Room 707-8, Universal North Building, 1875 Connecticut Avenue NW., Washington, D.C., 20452.

§ 401.4 Form of application.¹

¹Forms which meet the requirements of § 401.4 may be obtained by operators or operators' associations from the Secretary of the Board, Room 707-8, Universal North Building, 1875 Connecticut Avenue NW., Washington, D.C., 20452, or from the field offices of the Accident Prevention and Health Division, Bureau of Mines.

(Sec. 205(h), 66 Stat. 698; 30 U.S.C. 475(h))

Adopted by the Federal Coal Mine Safety Board of Review at its office in Washington, D.C., on the 10th day of January 1966.

TROY L. BACK,
Executive Secretary of the Board.

[F.R. Doc. 66-433; Filed, Jan. 13, 1966; 8:45 a.m.]

Title 39—POSTAL SERVICE

Chapter I—Post Office Department

PART 22—SECOND CLASS

Qualifications for Privileges

A notice of proposed revision in § 22.2 (b) (5) and (8) of Title 39, Code of Federal Regulations, was published in the FEDERAL REGISTER of December 3, 1965 (30 F.R. 14993) and corrected in the issue of December 9, 1965 (30 F.R. 15235) describing the characteristics of publications which may qualify as mail matter of the second class.

Interested persons were given 30 days in which to submit written comments with respect to the proposal.

After consideration of the comments received, the Department has reached the conclusion to adopt the proposed amendments. The amendments to be effective upon publication are as follows:

§ 22.2 Qualifications for second-class privileges.

(b) Basic qualifications. . . .

(5) *List of subscribers.* Publications must have a legitimate list of persons who have subscribed by paying or promising to pay at a rate above nominal (see subparagraph (8) of this paragraph) for copies to be received during a stated time.

(8) *Nominal rate publications.* Publications designed primarily for circulation at nominal rates may not qualify for second-class privileges. Persons whose subscriptions are obtained at a nominal rate shall not be included as a part of the legitimate list of subscribers required by subparagraph (5) of this paragraph. Copies sent in fulfillment of subscriptions obtained at a nominal rate must be charged with postage at the transient rate (see § 22.1(c)). Nominal rate subscriptions include those which are sold:

(i) At a token subscription price that is so low that it cannot be considered a material consideration.

(ii) At a reduction to the subscriber, under a premium offer or any other arrangements, of more than 50 percent of the amount charged at the basic annual rate for a subscription which entitles the subscriber to receive one copy of each

issue published during the subscription period. The value of a premium is considered to be its actual cost to the publisher, the recognized retail value, or the represented value, whichever is highest.

NOTE: The corresponding Postal Manual sections are 132.225 and 132.228.

(R.S. 161, as amended; 5 U.S.C. 22, 39 U.S.C. 501)

HARVEY H. HANNAH,
Acting General Counsel.

[F.R. Doc. 66-452; Filed, Jan. 13, 1966;
8:46 a.m.]

PART 115—ARTICLES MAILED ABROAD BY OR ON BEHALF OF SENDERS IN UNITED STATES

A notice of proposed revision of Part 115 of Title 39, Code of Federal Regulations, was published in the FEDERAL REGISTER of November 17, 1965 (30 F.R. 14378). The proposed change would require the payment of U.S. postage on articles addressed to the United States in excess of 200 pieces mailed in other countries in a 30-day period by or on behalf of any person or firm whose residence or place of business is located in the United States when the foreign postage on the articles is lower than comparable U.S. domestic postage. A second proposed revision would apply the same conditions when more than 5,000 pieces of mail are involved even when the foreign postage is not lower.

Interested persons were given 30 days in which to submit written comments with respect to the proposal.

After consideration of the comments received, the Department has reached the conclusion to adopt the proposal. The amendments to be effective on and after February 1, 1966, are as follows:

Sec.

- 115.1 U.S. postage rates required.
- 115.2 Mailing with U.S. postage paid.
- 115.3 Mailing with U.S. postage not paid.
- 115.4 Report of incoming mailings.

AUTHORITY: The provisions of this Part 115 issued under R.S. 161, as amended; 5 U.S.C. 22, 39 U.S.C. 501, 505.

§ 115.1 U.S. postage rates required.

Pursuant to provisions of the Universal Postal Convention, United States postage must be paid to secure delivery of articles in excess of 200 pieces mailed in

other countries by or on behalf of persons or firms whose residence or place of business is in the United States when the foreign postage on the articles is lower than comparable U.S. domestic postage. The articles will be returned to origin unless applicable U.S. postage is paid for the total number of pieces. Even if the foreign postage is not lower, the same conditions apply when more than 5,000 pieces are involved. These limitations apply to mailings made in such quantities within a 30-day period.

§ 115.2 Mailing with U.S. postage paid.

Senders affected by § 115.1 must submit a sample of the proposed mailing (envelope and contents) to the International Service Division, Bureau of Transportation and International Services, Post Office Department, Washington, D.C., 20260, with a statement as to the number of pieces to be mailed, when and where the mailing will take place, and a check to cover the amount of the applicable U.S. postage. Checks will be made payable to the Post Office Department. Notification of postage acceptance and approval of mailing will be given by the Department to the sender and to the appropriate U.S. receiving exchange offices which will permit the articles in the mailing to go forward to the addressees without delay when they reach the United States.

§ 115.3 Mailing with U.S. postage not paid.

A mailing subject to § 115.1 received without payment of U.S. domestic postage having been made in advance will be held at the exchange office of receipt, and the U.S. sender will be requested to pay the postage. After payment of the required amount, the mailing will be allowed to go forward; if not paid, it will be returned to the country of origin.

§ 115.4 Report of incoming mailings.

Only U.S. receiving exchange offices will report to the Department mailings from other countries that appear to have been made by or on behalf of senders in the United States.

NOTE: The corresponding Postal Manual section is Part 225.

HARVEY H. HANNAH,
Acting General Counsel.

[F.R. Doc. 66-453; Filed, Jan. 13, 1966;
8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 1138]

[Docket No. AO-335-A5]

MILK IN RIO GRANDE VALLEY MARKETING AREA

Notice of Hearing on Proposed Amendments to Tentative Market- ing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Western Skies Motor Hotel, 13400 Central Avenue SE., Albuquerque, N. Mex., beginning at 10 a.m., i.e., on January 20, 1966, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Rio Grande Valley marketing area.

The public hearing is for the purpose of receiving evidence with respect to the economic and emergency marketing conditions which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order. With respect to proposals Nos. 3 and 4 evidence will be received concerning whether the payments therein proposed should apply to all handlers as well as cooperative associations.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by Dairy Farmers Association and New Mexico Milk Producers Association:

Proposal No. 1. Section 1138.51(b) is revised to read as follows:

§ 1138.51 Class prices.

(b) *Class II milk.* The price per hundredweight for Class II milk shall be obtained by adding together the amounts calculated pursuant to subparagraphs (1) and (2) of this paragraph: *Provided*, For the months of March through June the Class II price shall be such total less 13 cents and with respect to milk other than that used to produce cottage cheese, for the months July and August, the price per hundredweight for Class II shall be such total less 13 cents.

(1) Subtract 3 cents from the average butter price specified in § 1138.50 and multiply the remainder by 4.2; and

(2) From the weighted average of carlot prices per pound for nonfat dry milk,

spray process, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month by the Department, deduct 5.5 cents and multiply the remainder by 8.16.

Proposal No. 2. Review the level of the Class II milk price established pursuant to § 1138.51(b).

Proposal No. 3. In § 1138.71 redesignate paragraph (f) as (g), and (g) as (h), and add a new paragraph (f) as follows:

§ 1138.71 Computation of uniform prices.

(f) Subtract an amount representing the cost of transporting milk diverted pursuant to § 1138.7(b) (1) by a cooperative association from farms of producers located in the marketing area to nonpool manufacturing plants located outside the marketing area and an amount representing the cost of transporting milk transferred by a cooperative association from pool plants located in the marketing area to nonpool manufacturing plants located outside the marketing area provided such amounts shall be computed by multiplying the hundredweight of milk so diverted or transferred by a transportation rate computed from the shortest hard surface highway distance as determined by the market administrator, from the pool plant from which the milk is diverted or transferred to the location of the nonpool plant and multiply by 1.0 cent per hundredweight per 10 miles or fraction thereof.

Proposal No. 4. In § 1138.85 designate the present language as paragraph (a) and add a new paragraph (b) as follows:

§ 1138.85 Payments out of the producer-settlement fund.

(b) On or before the 14th day after the end of each month the market administrator shall pay to each cooperative association from funds subtracted pursuant to § 1138.71(f) with respect to milk diverted or transferred by it, if any, the amounts representing such transportation cost.

Proposed by The Borden Co.:

Proposal No. 5. Section 1138.51(b) is revised to read as follows:

§ 1138.51 Class prices.

(b) *Class II milk.* The price per hundredweight for Class II milk shall be obtained by adding together the amounts calculated pursuant to subparagraphs (1) and (2) of this paragraph: *Provided*, For the months of July through February the price of Class II milk shall be obtained by adding together the amounts

calculated pursuant to subparagraphs (1) and (2) of this paragraph and for the months of March through June shall be such total less 15 cents:

(1) Subtract 12 cents from the average butter price specified in § 1138.50 and multiply the remainder by 4.2; and

(2) From the weighted average of carlot prices per pound for nonfat dry milk, spray process, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the preceding month through the 25th day of the current month, by the Department, deduct 10 cents, and multiply by 8.16.

Proposal No. 6. Section 1138.53(b) is revised to read as follows:

§ 1138.53 Butterfat differentials to handlers.

(b) *Class II milk.* Multiply the butter price specified in § 1138.50 by 0.95 and divide the result by 10.

Proposed by Wholesome Dairy, Inc.:

Proposal No. 7. Section 1138.8(a) is revised to read as follows:

§ 1138.8 Producer-handler.

(a) "Producer-handler" means any person who processes and packages milk from his own farm production, who distributes any portion of such milk on routes within the marketing area who receives no fluid milk products from other dairy farmers or from any source other than a pool plant and receipts from pool plants shall not be in excess of 20 percent of own farm production or 11,000 pounds whichever is greater per month or, any person who processes and packages certified milk from his own farm production and disposes of such milk to another plant and who receives no milk from any source except his certified herd: *Provided*, That any person who desires to qualify as a producer-handler shall furnish to the market administrator for his verification, subject to review by the Secretary, evidence that the care and management of all the dairy animals and other resources necessary to produce the entire amount of fluid milk products handled (excluding receipts from pool plants) is the personal enterprise of and at the personal risk of such person and the operation of the processing and distribution business is the personal enterprise of and at the personal risk of the same person.

Proposed by the Dairy Division, Consumer and Marketing Service:

Proposal No. 8. Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, Earl C. Born, Post Of-

Office Box 8636, Albuquerque, N. Mex., 87108, or from the Hearing Clerk, Room 112-A, Administration Building, U.S. Department of Agriculture, Washington, D.C., 20250, or may be there inspected.

Signed at Washington, D.C., on January 10, 1966.

CLARENCE H. GIRARD,
Deputy Administrator,
Regulatory Programs.

[F.R. Doc. 66-450; Filed, Jan. 13, 1966;
8:46 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 71]

[Airspace Docket No. 65-AL-26]

FEDERAL AIRWAYS

Proposed Revocation

The Federal Aviation Agency is considering an amendment to Part 71 of the Federal Aviation Regulations that would revoke segments of Alaskan VOR Federal airway Nos. 463 and 510 in the vicinity of Anchorage, Alaska.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Alaskan Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, 632 Sixth Avenue, Anchorage, Alaska, 99501. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Agency, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C., 20553. An informal docket also will be available for examination at the Office of the Regional Air Traffic Division Chief.

It is proposed to revoke the segment of Alaskan VOR Federal airway No. 463 from the intersection of the Anchorage, Alaska, 330° T (305° M) and the Big Lake, Alaska, 294° T (268° M) radials; to the Skwentna, Alaska, radio range. Also it is proposed to revoke the segment of Alaskan VOR Federal airway No. 510 from Big Lake, Alaska, to the intersection of the Big Lake 073° T (047° M) radial and the Sheep Mountain, Alaska, radio beacon 343° T (316° M) bearing.

The latest FAA peak day airway traffic survey discloses no en route aircraft movements on these airway segments. Additionally, it has been determined that these segments are no longer required for air traffic control purposes, therefore, their retention is unnecessary.

This amendment is proposed under the authority of sec. 307(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on January 6, 1966.

JAMES L. LAMPL,
Acting Chief, Airspace Regulations
and Procedures Division.

[F.R. Doc. 66-429; Filed, Jan. 13, 1966;
8:45 a.m.]

[14 CFR Part 71]

[Airspace Docket No. 65-CE-135]

VOR FEDERAL AIRWAYS

Proposed Alteration

The Federal Aviation Agency is considering amendments to Part 71 of the Federal Aviation Regulations that would raise the floors on segments of Federal airways in the Chicago Air Route Traffic Control Center area.

Interested persons may participate in the proposed rule making by submitting such written data, views, or arguments as they may desire. Communications should identify the airspace docket number and be submitted in triplicate to the Director, Central Region, Attention: Chief, Air Traffic Division, Federal Aviation Agency, 4825 Troost Avenue, Kansas City, Mo., 64110. All communications received within 45 days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendments. The proposal contained in this notice may be changed in the light of comments received.

An official docket will be available for examination by interested persons at the Federal Aviation Agency, Office of the General Counsel, Attention: Rules Docket, 800 Independence Avenue SW., Washington, D.C., 20553. An informal docket also will be available for examination at the office of the Regional Air Traffic Division Chief.

The Federal Aviation Agency proposes to redesignate floors on the pertinent airway segments as hereinafter set forth:

1. V-2: From Nodine, Minn., 1,200 feet above the surface (AGL) via Lone Rock, Wis.; 1,200 feet AGL INT Lone Rock 104° and Milwaukee, Wis., 272° True radials; 1,200 feet AGL Milwaukee; 1,200 feet AGL Muskegon, Mich., including a 1,200 feet AGL S alternate via INT Milwaukee 102° and Muskegon 252° True radials; 1,200 feet AGL Lansing, Mich., including a 1,200 feet AGL S alternate from Muskegon to Lansing via INT Muskegon 154° and Grand Rapids, Mich., 284° True radials and Grand Rapids; 1,200 feet AGL Salem, Mich., including a 1,200 feet AGL N alternate via INT of Lansing 091° and Salem 308° True radials; 1,200 feet AGL via Salem 083° True radial to the international border.

2. V-6: From Sidney, Nebr., 1,200 feet AGL via North Platte, Nebr.; 1,200 feet AGL Grand Island, Nebr.; 1,200 feet AGL Omaha, Nebr.; 1,200 feet AGL Des Moines, Iowa, including a 1,200 feet AGL S alternate; 1,200 feet AGL Iowa City, Iowa, including a 1,200 feet AGL S alternate via INT Des Moines 112° and Iowa City 252° True radials; 1,200 feet AGL Cordova, Ill.; 1,200 feet AGL Naperville, Ill.; 1,200 feet AGL South Bend, Ind.

3. V-7: From Evansville, Ind., 1,200 feet AGL via Lewis, Ind.; 1,200 feet AGL Terre Haute, Ind., including a 1,200 feet AGL W

alternate from Evansville to Terre Haute via INT Evansville 001° and Terre Haute 215° True radials; 1,200 feet AGL Westpoint, Ind.; 1,200 feet AGL Lafayette, Ind.; 1,200 feet AGL Chicago Heights, Ill.; 1,200 feet AGL INT Chicago Heights 358° and Milwaukee, Wis., 137° True radials; 1,200 feet AGL Milwaukee, including a 1,200 feet AGL E alternate via INT Chicago Heights 013° and Milwaukee 137° True radials; 1,200 feet AGL Green Bay, Wis.

4. V-8: From Hayes Center, Nebr., 1,200 feet AGL via Grand Isle, Nebr., including a 1,200 feet AGL N alternate via INT Hayes Center 059° and Grand Isle 273° True radials and also a 1,200 feet AGL S alternate; 1,200 feet AGL Omaha, Nebr.; 1,200 feet AGL Des Moines, Iowa, including a 1,200 feet AGL S alternate; 1,200 feet AGL Iowa City, Iowa, including a 1,200 feet AGL S alternate via INT Des Moines 112° and Iowa City 252° True radials; 1,200 feet AGL Cordova, Ill.; 1,200 feet AGL INT Cordova 088° and Joliet, Ill., 316° True radials; 1,200 feet AGL Joliet; 1,200 feet AGL Chicago Heights, Ill.; 1,200 feet AGL Goshen, Ind.

5. V-9: From Capital, Ill., 1,200 feet AGL via Pontiac, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL Naperville, Ill.; 1,200 feet AGL INT Naperville 317° and Milwaukee, Wis., 198° True radials; 1,200 feet AGL Milwaukee; 1,200 feet AGL Oshkosh, Wis.; 1,200 feet AGL Green Bay, Wis.

6. V-10: From Burlington, Iowa, 1,200 feet AGL via Bradford, Ill.; 1,200 feet AGL INT Bradford 050° and Naperville, Ill., 254° True radials; 1,200 feet AGL Naperville; 1,200 feet AGL South Bend, Ind., including a 1,200 feet AGL N alternate via INT Naperville 075° and South Bend 290° True radials; 1,200 feet AGL Litchfield, Mich.

7. V-13: From Lamoni, Iowa, 1,200 feet AGL via Des Moines, Iowa, including a 1,200 feet AGL W alternate; 1,200 feet AGL Mason City, Iowa, including a 1,200 feet AGL E alternate and also a 1,200 feet AGL W alternate from Des Moines to Mason City via Fort Dodge, Iowa, excluding the airspace between the main and W alternate airway.

8. V-15: From St. Joseph, Mo., 1,200 feet AGL via INT St. Joseph, 343° and Neola, Iowa, 157° True radials; 1,200 feet AGL Neola; 1,200 feet AGL INT Neola 322° and Sioux City, Iowa, 159° True radials; 1,200 feet AGL Sioux City.

9. V-26: From Eau Claire, Wis., 1,200 feet AGL via Wausau, Wis.; 1,200 feet AGL Green Bay, Wis.; 1,200 feet AGL INT Green Bay 116° and White Cloud, Mich., 302° True radials; 1,200 feet AGL White Cloud; 1,200 feet AGL Lansing, Mich.; 1,200 feet AGL Salem, Mich.; 1,200 feet AGL via Salem 138° True radial to the international border.

10. V-30: From Milwaukee, Wis., 1,200 feet AGL via INT Milwaukee 102° and Pullman, Mich., 303° True radials; 1,200 feet AGL Pullman, including a 1,200 feet AGL S alternate via INT Milwaukee 121° and Pullman 282° True radials; 1,200 feet AGL Litchfield, Mich.

11. V-38: From Iowa City, Iowa, 1,200 feet AGL via Moline, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL Peotone, Ill.; 6 miles wide, 1,200 feet AGL Monterey, Ind.; 1,200 feet AGL Fort Wayne, Ind.

12. V-42: From Flint, Mich., 1,200 feet AGL via INT Flint 133° and Windsor, Ont., Canada, 320° True radials; 1,200 feet AGL Windsor, including a 1,200 feet AGL E alternate via INT Flint 118° and Windsor 335° True radials (7 miles wide, 3 miles E and 4 miles W of the centerline), excluding the portion within Canada.

13. V-45: From Jackson, Mich., 1,200 feet AGL via Lansing, Mich.; 1,200 feet AGL to Saginaw, Mich.

14. V-48: From Burlington, Iowa, 1,200 feet AGL via Peoria, Ill.; 1,200 feet AGL Pontiac, Ill.

15. V-51: From Shelbyville, Ind., 1,200 feet AGL via INT Shelbyville 313° and Lafayette, Ind., 136° True radials; 1,200 feet AGL Lafayette; 1,200 feet AGL Chicago Heights, Ill.

16. V-52: From Des Moines, Iowa, 1,200 feet AGL to Ottumwa, Iowa.

17. V-53: From Indianapolis, Ind., 1,200 feet AGL via Westpoint, Ind.; 1,200 feet AGL INT Westpoint 326° and Peotone, Ill., 153° True radials; 1,200 feet AGL Peotone; 1,200 feet AGL INT Peotone 003° and Chicago-O'Hare, Ill., 153° True radials; 1,200 feet AGL Chicago-O'Hare.

18. V-55: From Dayton, Ohio, 1,200 feet AGL via Fort Wayne, Ind., including a 1,200 feet AGL E alternate via INT of Dayton 347° and Fort Wayne 178° True radials; 1,200 feet AGL Goshen, Ind.; 1,200 feet AGL South Bend, Ind.; 1,200 feet AGL Keeler, Mich.; 1,200 feet AGL Pullman, Mich.; 1,200 feet AGL Muskegon, Mich.; 1,200 feet AGL INT Muskegon 327° and Green Bay, Wis., 116° True radials; 1,200 feet AGL Green Bay; 1,200 feet AGL Stevens Point, Wis.; 1,200 feet AGL INT Stevens Point 281° and Eau Claire, Wis., 107° True radials; 1,200 feet AGL Eau Claire.

19. V-63: From INT Polo, Ill., 268° and Janesville, Wis., 239° True radials, 1,200 feet AGL via Janesville; 1,200 feet AGL Milwaukee, Wis.

20. V-67: From Cedar Rapids, Iowa, 1,200 feet AGL via Waterloo, Iowa; 1,200 feet AGL Mason City, Iowa; 1,200 feet AGL Rochester, Minn., including a 1,200 feet AGL W alternate via INT Mason City 023° and Rochester 243° True radials.

21. V-69: From Capital, Ill., 1,200 feet AGL via Pontiac, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL Kedzie, Ill., RBN.

22. V-82: From Nodine, Minn., 1,200 feet AGL via Dells, Wis., 1,200 feet AGL INT Dells 097° and Timmerman, Wis., 322° True radials; 6 miles wide, 1,200 feet AGL Timmerman.

23. V-84: From Bradford, Ill., 1,200 feet AGL via INT Bradford 033° and Chicago-O'Hare, Ill., 269° True radials; 1,200 feet AGL Chicago-O'Hare. From Northbrook, Ill., 1,200 feet AGL via Pullman, Mich.; 1,200 feet AGL Lansing, Mich.; 1,200 feet AGL Flint, Mich.; 1,200 feet AGL Peck, Mich.; 1,200 feet AGL London, Ontario, Canada, excluding the portion within Canada.

24. V-92: From Joliet, Ill., 1,200 feet AGL via Chicago Heights, Ill.; 1,200 feet AGL Goshen, Ind.

25. V-96: From Indianapolis, Ind., 1,200 feet AGL via Kokomo, Ind.; 1,200 feet AGL Fort Wayne, Ind.

26. V-97: From Shelbyville, Ind., 1,200 feet AGL via INT Shelbyville 313° and Lafayette, Ind., 136° True radials; 1,200 feet AGL Lafayette, including a 1,200 feet AGL W alternate from Shelbyville to Lafayette via Indianapolis, Ind., and INT Indianapolis 344° and Shelbyville 313° True radials and INT Shelbyville 313° and Lafayette 136° True radials; 1,200 feet AGL Chicago Heights, Ill. From INT Northbrook, Ill., 273° and Naperville, Ill., 340° True radials, 1,200 feet AGL via INT Naperville 340° and Janesville, Wis., 111° True radials, 1,200 feet AGL Janesville; 1,200 feet AGL INT Janesville 294° and Lone Rock, Wis., 147° True radials; 1,200 feet AGL Lone Rock; 1,200 feet AGL Nodine, Wis.

27. V-100: From Sloux City, Iowa, 1,200 feet AGL via Fort Dodge, Iowa; 1,200 feet AGL Waterloo, Iowa; 1,200 feet AGL Dubuque, Iowa; 1,200 feet AGL Rockford, Ill.; 1,200 feet AGL Northbrook, Ill.; 1,200 feet AGL INT

Northbrook 093° and Keeler, Mich., 271° True radials; 1,200 feet AGL Keeler; 1,200 feet AGL Jackson, Mich.; 1,200 feet AGL INT Jackson 084° and Salem, Mich., 254° True radials; 1,200 feet AGL Salem.

28. V-116: From Quincy, Ill., 1,200 feet AGL via Peoria, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL Naperville, Ill.; 1,200 feet AGL Keeler, Mich.; 1,200 feet AGL Jackson, Mich.; 1,200 feet AGL INT Jackson 084° and Salem, Mich., 254° True radials; 1,200 feet AGL Salem; 1,200 feet AGL Windsor, Ontario, Canada; excluding the portion within Canada.

29. V-126: From Chicago Heights, Ill., 1,200 feet AGL to Goshen, Ind.

30. V-127: From Bradford, Ill., 1,200 feet AGL via Polo, Ill.; 1,200 feet AGL Rockford, Ill.

31. V-128: From Chicago-O'Hare, Ill., 1,200 feet AGL via INT Chicago-O'Hare 153° and Peotone, Ill., 003° True radials; 1,200 feet AGL Peotone; 1,200 feet AGL INT Peotone 153° and Westpoint, Ind., 326° True radials; 1,200 feet AGL Westpoint; 1,200 feet AGL Indianapolis, Ind.

32. V-129: From Waukon, Iowa, 1,200 feet AGL via Nodine, Minn., 1,200 feet AGL Eau Claire, Wis.

33. V-133: From Salem, Mich., 1,200 feet AGL via Flint, Mich.; 1,200 feet AGL Saginaw, Mich.; 1,200 feet AGL Traverse City, Mich.; 1,200 feet AGL Escanaba, Mich.

34. V-138: From Grand Island, Nebr., 1,200 feet AGL via INT Grand Island 099° and Raymond, Nebr., 267° True radials; 1,200 feet AGL Raymond; 1,200 feet AGL INT Raymond 040° and Neola, Iowa, 251° True radials; 1,200 feet AGL Neola; 1,200 feet AGL Fort Dodge, Iowa.

35. V-144: From Chicago-O'Hare, Ill., 1,200 feet AGL via INT Chicago-O'Hare 153° and Peotone, Ill., 003° True radials; 1,200 feet AGL Peotone; 6 miles wide, 1,200 feet AGL Monterey, Ind.; 1,200 feet AGL Fort Wayne, Ind.

36. V-158: From Waterloo, Iowa, 1,200 feet AGL via Dubuque, Iowa; 1,200 feet AGL Polo, Ill. The airspace within R-3302 is excluded.

37. V-161: From Lamoni, Iowa, 1,200 feet AGL via Des Moines, Iowa; 1,200 feet AGL Newton, Iowa; 1,200 feet AGL Waterloo, Iowa, including a 1,200 feet AGL W alternate from Des Moines to Waterloo, via INT Des Moines 023° and Waterloo 241° True radials.

38. V-170: From Nodine, Minn., 1,200 feet AGL via Dells, Wis.; 1,200 feet AGL INT Dells 097° and Milwaukee, Wis., 307° True radials; 1,200 feet AGL Milwaukee; 1,200 feet AGL INT Milwaukee 102° and Pullman, Mich., 303° True radials; 1,200 feet AGL Pullman; 1,200 feet AGL Salem, Mich.

39. V-171: From Scotland, Ind., 1,200 feet AGL via Lewis, Ind.; 1,200 feet AGL Danville, Ill.; 1,200 feet AGL Peotone, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL Rockford, Ill.; 1,200 feet AGL Lone Rock, Wis.; 1,200 feet AGL Nodine, Minn.

40. V-172: From North Platte, Nebr., 1,200 feet AGL via INT North Platte 073° and Wolback, Nebr., 266° True radials; 1,200 feet AGL Wolback; 1,200 feet AGL Neola, Iowa; 1,200 feet AGL Newton, Iowa; 1,200 feet AGL Cedar Rapids, Iowa; 1,200 feet AGL Polo, Ill.; 1,200 feet AGL Chicago-O'Hare, Ill.; 1,200 feet AGL INT Chicago-O'Hare 077° and South Bend, Ind., 310° True radials; 1,200 feet AGL South Bend.

41. V-173: From Capital, Ill., 1,200 feet AGL via Roberts, Ill.; 1,200 feet AGL INT

Roberts 008° and Joliet, Ill., 067° True radials; 1,200 feet AGL Kedzie, Ill., RBN.

42. V-177: From Fort Wayne, Ind., 1,200 feet AGL via Monterey, Ind.; 6 miles wide, 1,200 feet AGL to INT Monterey 277° and 1,200 feet AGL Chicago Heights. From Naperville, Ill., 1,200 feet AGL Janesville, Wis.

43. V-181: From Omaha, Nebr., 1,200 feet AGL via Norfolk, Nebr.; 1,200 feet AGL Yankton, S. Dak.

44. V-193: From INT Pullman, Mich., 243° and South Bend, Ind., 310° True radials, 1,200 feet AGL via Pullman; 1,200 feet AGL INT Pullman 029° and White Cloud, Mich., 168° True radials; 1,200 feet AGL White Cloud; 1,200 feet AGL Traverse City, Mich., including a 1,200 feet AGL W alternate via INT White Cloud 329° and Traverse City 235° True radials; 1,200 feet AGL Pellston, Mich.; 1,200 feet AGL INT Pellston 003° and Sault Ste. Marie, Mich., 214° True radials; 1,200 feet AGL Sault Ste. Marie.

45. V-205: From St. Joseph, Mo., 1,200 feet AGL via INT St. Joseph 343° and Omaha, Nebr., 124° True radials; 1,200 feet AGL Omaha; 1,200 feet AGL Sioux City, Iowa, including a 1,200 feet AGL W alternate via INT Omaha 320° and Sioux City 174° True radials.

46. V-215: From INT Muskegon, Mich., 208° and Pullman, Mich., 259° True radials; 1,200 feet AGL via Muskegon; 1,200 feet AGL White Cloud, Mich.

47. V-216: From Lamar, Colo., 1,200 feet AGL via Hill City, Kans.; 1,200 feet AGL Mankato, Kans.; 1,200 feet AGL Pawnee City, Nebr.; 1,200 feet AGL Lamoni, Iowa; 1,200 feet AGL Ottumwa, Iowa; 1,200 feet AGL Iowa City, Iowa. From Janesville, Wis., 1,200 feet AGL via INT Janesville 076° and Muskegon, Mich., 252° True radials; 1,200 feet AGL Muskegon; 1,200 feet AGL Saginaw, Mich.; 1,200 feet AGL Peck, Mich.; 1,200 feet AGL Kleinburg, Ontario, Canada. The airspace within Canada is excluded.

48. V-217: From Chicago-O'Hare, Ill., 1,200 feet AGL via INT Chicago-O'Hare 019° and Milwaukee, Wis.; 137° True radials; 1,200 feet AGL INT Milwaukee 137° True radial and Milwaukee (General Mitchell Field) ILS front course; 1,200 feet AGL Milwaukee (General Mitchell Field) ILS localizer; 1,200 feet AGL INT Milwaukee (General Mitchell Field) ILS localizer backcourse and Green Bay, Wis., 165° True radial; 1,200 feet AGL Green Bay.

49. V-219: From Hayes Center, Nebr., 1,200 feet AGL via INT Hayes Center 059° and Wolback, Nebr., 251° True radials; Wolback; 1,200 feet AGL Norfolk, Nebr.; 120 feet AGL Sioux City, Iowa.

50. V-220: From McCook, Nebr., 1,200 feet AGL via INT McCook 072° and Grand Island, Nebr., 241° True radials; 1,200 feet AGL Grand Island.

51. V-221: From Fort Wayne, Ind., 1,200 feet AGL via Litchfield, Mich.; 1,200 feet AGL Jackson, Mich.; 1,200 feet AGL INT Jackson 084° and Salem, Mich., 254° True radials; 1,200 feet AGL Salem; 1,200 feet AGL via Salem 083° True radial to the international border.

52. V-227: From Indianapolis, Ind., 1,200 feet AGL via INT Indianapolis 312° and Lafayette, Ind., 159° True radials; Lafayette.

53. V-228: From Northbrook, Ill., 1,200 feet AGL South Bend, Ind.

54. V-233: From Capital, Ill., 1,200 feet AGL via Peoria, Ill.; 1,200 feet AGL Cordova, Ill.; 1,200 feet AGL Cedar Rapids, Iowa.

55. V-255: From Burlington, Iowa, 1,200 feet AGL via Moline, Ill.; 1,200 feet AGL Cor-

PROPOSED RULE MAKING

dova, Ill.; 1,200 feet AGL Rockford, Ill.; 1,200 feet AGL Janesville, Wis.; 1,200 feet AGL INT Janesville 344° and Dells, Wis., 143° True radials; 1,200 feet AGL Dells; 1,200 feet AGL Stevens Point, Wis.

56. V-262: From Peoria, Ill., 1,200 feet AGL via Bradford, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL Kedzie, Ill., RBN.

57. V-274: From Pullman, Mich., 1,200 feet AGL via Grand Rapids, Mich.; 1,200 feet AGL Saginaw, Mich.

58. V-277: From Rosewood, Ohio, 1,200 feet AGL via Fort Wayne, Ind.; 1,200 feet AGL Keeler, Mich.

59. V-285: From Indianapolis, Ind., 1,200 feet AGL via Kokomo, Ind.; 1,200 feet AGL Goshen, Ind. From South Bend, Ind., 1,200 feet AGL via Kalamazoo, Mich.; 1,200 feet AGL INT Kalamazoo 014° and Grand Rapids, Mich., 167° True radials; 1,200 feet AGL Grand Rapids; 1,200 feet AGL White Cloud, Mich.

60. V-294: From Des Moines, Iowa, 1,200 feet AGL via INT Des Moines 086° and Cedar Rapids, Iowa, 238° True radials; 1,200 feet AGL Cedar Rapids.

61. V-320: From Peck, Mich., 1,200 feet AGL Toronto, Ontario, Canada, excluding the airspace within Canada.

62. V-422: From Chicago Heights, Ill., 1,200 feet AGL via INT Chicago Heights 117° and Knox, Ind., 276° True radials; 1,200 feet AGL Knox; 1,200 feet AGL Wolf Lake, Ind.

63. V-429: From Decatur, Ill., 1,200 feet AGL via Champaign, Ill.; 1,200 feet AGL Roberts, Ill.; 1,200 feet AGL Joliet, Ill.; 1,200 feet AGL INT Joliet 008° and Naperville, Ill., 340° True radials; 1,200 feet AGL INT Naperville 340° and Milwaukee, Wis., 198° True radials; 1,200 feet AGL Milwaukee.

64. V-434: From Ottumwa, Iowa, 1,200 feet AGL via Moline, Ill.; 1,200 feet AGL Peoria, Ill.

65. V-450: From Muskegon, Mich., 1,200 feet AGL Green Bay, Wis.

66. V-479: From Northbrook, Ill., 1,200 feet AGL via INT Northbrook 348° and Milwaukee, Wis., 161° True radials; 1,200 feet AGL Milwaukee.

67. V-491: From Lafayette, Ind., 1,200 feet AGL via INT Lafayette 313° and Peotone, Ill., 153° True radials; 1,200 feet AGL Peotone.

The 1,200 feet above the surface floors proposed for airway segments considered herein are necessary for climb from the surface to minimum en route altitudes, for en route altitude change and for aeronautical chart legibility. Floors for VOR Federal airways Nos. 11 and 218 are not considered herein as they have been processed in Airspace Docket No. 65-CE-44.

These amendments are proposed under the authority of Sec. 307(a) of the Federal Aviation Regulation Act of 1958 (49 U.S.C. 1348).

Issued in Washington, D.C., on January 7, 1966.

JAMES L. LAMPL,
*Acting Chief, Airspace Regulations
and Procedures Division.*

[F.R. Doc. 66-458; Filed, Jan. 13, 1966;
8:46 a.m.]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 121]

SMALL BUSINESS FRANCHISE SIZE CRITERIA

Notice of Proposed Rule Making

On December 15, 1965, the Small Business Administration published in the FEDERAL REGISTER (30 F.R. 15438) notice of a proposed hearing to be conducted on February 7, 1966, at 10 a.m. in Room 442, Lafayette Building, 811 Vermont Avenue NW., Washington, D.C. The purpose of the hearing is to receive written comments on the criteria which should be used in determining whether a concern operating under a franchise agreement is a small business concern.

Notice is hereby given that the hearing originally scheduled for that date is postponed to March 10, 1966. Interested parties are invited to file with SBA written comments or notice of intention to testify concerning matters within the scope of the hearing by February 25, 1966.

Dated: January 7, 1966.

ROSS D. DAVIS,
Executive Administrator.

[F.R. Doc. 66-446; Filed, Jan. 13, 1966;
8:45 a.m.]

Notices

DEPARTMENT OF STATE

Agency for International Development LIST OF INELIGIBLE SUPPLIERS

The following "List of Ineligible Suppliers" under AID Regulation 8 (29 F.R. 9534; 30 F.R. 12941) is currently in effect. All persons who anticipate AID financing for a transaction involving any person whose name appears on this List should take special notice of its contents.

SECTION 1. Purpose of this List. This List implements the provisions of AID Regulation 8, "Suppliers of Commodities and Commodity-Related Services Ineligible for AID Financing" (29 F.R. 9534). Subject to the conditions described below AID will not make funds available to finance the cost of commodities or commodity-related services furnished by any supplier whose name appears on this List. A supplier whose name appears in section 3 of this List has been placed thereon for the causes specified in § 208.5 of Regulation 8; a supplier whose name appears in section 4 of this List has been placed thereon for the causes specified in § 208.7 of Regulation 8. AID has taken such action in accordance with the procedures described in Subpart D of Regulation 8.

With respect to the interest of any United States bank which holds an AID Letter of Commitment, special attention is called to the fact that this List constitutes a special amendment to every Letter of Commitment to the effect that AID will not provide reimbursement to a bank for payment to any supplier whose name appears on this List, excepting only (a) a payment made to a supplier on or before the suspension or debarment date indicated for that supplier in section 3 or section 4 of this List under an AID Letter of Commitment issued prior to that date, and (b) a payment made to a supplier under an irrevocable Letter of Credit opened or confirmed on or before the suspension or debarment date indicated for that supplier in section 3 or section 4 of this List under an AID Letter of Commitment issued prior to that date. A bank which receives a copy of this List shall be held in its relationship with AID to the standard of care described in § 201.73(f) of Regulation 1 (29 F.R. 12895-12908) with respect to every transaction governed by an AID Letter of Commitment issued to that bank.

SEC. 2. Contents kept current. AID will keep the contents of this List current by means of superseding or supplementing issuances which will indicate additions to and deletions from the contents of prior issuances of this List. AID

will bring all such changes to the immediate attention of every United States bank holding an AID Letter of Commitment and shall provide for such other distribution as appears proper under the circumstances.

No prejudice with respect to the availability of AID financing shall attach to any supplier whose name has been removed from this List.

SEC. 3. Suppliers debarred from AID financing. None.

SEC. 4. Suppliers suspended from AID financing. The following persons have been suspended from AID financing until further notice pending completion of an AID investigation of facts which may lead to the eventual debarment of such persons:

Name and address	Suspension date
Aadal, Manoutshehr, 150 Broadway, New York, N.Y.	May 23, 1964.
All American Fabrics Co., 277 Broadway, New York, N.Y.	Do.
Ameriapex Trading Co., 277 Broadway, New York, N.Y.	Do.
American Asian Lines, 150 Broadway, New York, N.Y.	Do.
Aqua International Corp., 29 Broadway, New York, N.Y.	Mar. 31, 1965.
Darab, Nasrollah, 277 Broadway, New York, N.Y.	May 23, 1964.
Greene, Roy, 415 East 52d St., New York, N.Y.	Nov. 18, 1965.
Harfa Commercial Co., 170 Broadway, New York, N.Y.	May 23, 1964.
Monarch Processing Corp., 150 Broadway, New York, N.Y.	Do.
Monarch Trading Co., 150 Broadway, New York, N.Y.	Do.
Monarch Trading Co., Inc., 150 Broadway, New York, N.Y.	Do.
Namdar, Falzollah, 277 Broadway, New York, N.Y.	Do.
Rafati, Hassen, 277 Broadway, New York, N.Y.	May 23, 1964.
Transasia Marine Corp., 150 Broadway, New York, N.Y.	Do.
Transasia Steamship Co., Inc., 150 Broadway, New York, N.Y.	Do.
Transasia Transportation Corp., 150 Broadway, New York, N.Y.	Do.
United Steel and Wire Corp., 375 Park Ave., New York, N.Y.	Nov. 18, 1965.
Western National Fabric Co., 277 Broadway, New York, N.Y.	May 23, 1964.
Worldwide Export Co., 79 Wall St., New York, N.Y.	Do.

WILLIAM O. HALL,
Assistant Administrator
for Administration.

JANUARY 5, 1966.

[F.R. Doc. 66-426; Filed, Jan. 13, 1966;
8:45 a.m.]

DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control BADGER HAIR ET AL.

Importation From Countries Not in Authorized Trade Territory; Appli- cations for Licenses

Licenses under the Foreign Assets Control Regulations (31 CFR §500.101 to §500.808) for the importation of the following commodities produced in the U.S.S.R. or Outer Mongolia will be issued during 1966 in the same aggregate quantities as in previous years. These quantities, based on importations during the period 1946 through 1951, are as follows:

	Pounds
Badger hair.....	200
Carpet wool.....	1,800,000
Cotton waste.....	4,550,000
Goat hair.....	610,000
Horse mane hair.....	660,000
Horse tail hair.....	70,000
Silk waste.....	435,000
Yak hair.....	525,000

Licenses will be issued to any person, and will not be limited to persons with a previous history of importation. The following conditions will apply:

(1) Applications must be filed before September 1, 1966, and must be accompanied by a copy of a firm contract with the seller subject only to the obtaining of the necessary license.

(2) No one applicant will be licensed to import more than 25 percent of the total quota for any one commodity. However, more than one contract can be entered into by any applicant, up to the 25 percent limit.

(3) Licenses will be nontransferable and imports may be made only in the name of and for the account of the licensee.

(4) The contract must provide for shipment from the U.S.S.R. If the contract is with a seller in a third country any license issued will require that the goods be shipped directly from the U.S.S.R. to the United States or, if not, that they remain in continuous carriers' custody during the entire period of transshipment.

Licenses will be valid until the date of shipment specified in the contract and will be extended to permit Customs entry and transactions under a letter of credit for goods shipped pursuant to the contract.

Applications for licenses must be filed in duplicate on Form TFAC-1 with the Federal Reserve Bank of New York, 33 Liberty Street, New York, N.Y., 10045. Applications will be considered in the order in which they are received. Persons applying for a license to import

more than one commodity should file a separate application for each such commodity.

Since for one reason or another some licenses may expire unused or the full quota of a commodity may not be applied for by qualified applicants (i.e., by persons who have not reached the 25 percent limit) announcement will be made in the FEDERAL REGISTER on September 15, 1966, of any balances still available for licensing. At that time any person may apply for any portion of an available balance irrespective of the fact that he may have already received licenses to import as much as 25 percent of the quota. Applications for licenses filed after September 15, 1966, are subject to all conditions set forth above other than the 25 percent limit.

Additional information and license application forms may be obtained from the Federal Reserve Bank of New York or from the Office of Foreign Assets Control, Treasury Department, Washington, D.C., 20220.

[SEAL] MARGARET W. SCHWARTZ,
Director,
Office of Foreign Assets Control.

[F.R. Doc. 66-403; Filed, Jan. 13, 1966;
8:45 a.m.]

IMPORTATION OF RHUBARB ROOT DIRECTLY FROM INDIA

Available Certifications by Indian Government

Notice is hereby given that certificates of origin issued by the Directorate of Marketing and Inspection, Ministry of Food and Agriculture of the Government of India under procedures agreed upon between that Government and the Office of Foreign Assets Control in connection with the Foreign Assets Control Regulations are now available with respect to the importation of rhubarb root into the United States directly, or on a through bill of lading, from India.

[SEAL] MARGARET W. SCHWARTZ,
Director,
Office of Foreign Assets Control.

[F.R. Doc. 66-404; Filed, Jan. 13, 1966;
8:45 a.m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

JACK DOUGLAS HENDERSON ET AL. Notice of Intention To Return Vested Property

Pursuant to section 32(f) of the Trading with the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Jack Douglas Henderson, Executor of the Estate of Arthur Leslie Benjamin, deceased, 15, Ranulf Road, Hampstead, London, N.W.2, England, \$11.67; Darius Milhaud, Mills College, Oakland 13, Calif., \$37.89; Cyril Scott, Santosa, 53 Pashley Road, Eastbourne, Sussex, England, \$31.25; Andres Segovia, 614 v. Concha Espina, Madrid, Spain, \$12,766.02; Federico Moreno Torroba, Calle Goya No. 20, Madrid, Spain, \$1,061.60; Obdulla Garzon Gonzalez, Alfonso XI, 7, Madrid, Spain, \$106.94; Joaquin Turina Garzon, Ibiza, 22, Madrid, Spain, \$17.83; Concepcion Turina Garzon, Alfonso XI, 7, Madrid, Spain, \$17.83; Jose Luis Turina Garzon, Travesera de Garcia, 173, Barcelona, Spain, \$17.83; Obdulla Turina Garzon, Alfonso XI, 7, Madrid, Spain, \$17.83; Claim Nos. 5965 and 62398; Vesting Order Nos. 2096 and 18593; all of the foregoing amounts are held in the Treasury of the United States.

Executed at Washington, D.C., on January 10, 1966.

For the Attorney General.

ANTHONY L. MONDELLO,
Deputy Director,
Office of Alien Property.

[F.R. Doc. 66-478; Filed, Jan. 13, 1966;
8:47 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[Sacramento 080114]

CALIFORNIA

Notice of Proposed Withdrawal and Reservation of Lands

JANUARY 6, 1966.

The Forest Service, U.S. Department of Agriculture, has filed an application, Serial No. Sacramento 080114 for the withdrawal of lands described below, from prospecting, location, entry, and purchase under the mining laws, subject to valid existing claims.

The applicant desires the land for Crazy Jim Campground and Picnic Area, located on the banks of Canyon Creek at Rarick Gulch in the Trinity National Forest.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, Room 4201, U.S. Courthouse and Federal Building, 650 Capitol Mall, Sacramento, Calif., 95814.

The Department's regulations (43 CFR 2311.1-3(c)) provide that the authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the minimum essential to meet the applicant's needs, to provide for the maximum

concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

CALIFORNIA

MOUNT DIABLO MERIDIAN

Trinity National Forest

Crazy Jim Playground and Picnic Area

T. 34 N., R. 11 W.,

Sec. 13, NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$.

The area described aggregates 30 acres.

R. J. LITTEN,
Chief, Lands Adjudication
Section, Sacramento Land
Office.

[F.R. Doc. 66-427; Filed, Jan. 13, 1966;
8:45 a.m.]

[Wyoming 0321051]

WYOMING

Notice of Proposed Withdrawal and Reservation of Lands

JANUARY 7, 1966.

The Forest Service, U.S. Department of Agriculture, has filed an application, Serial Number Wyoming 0321051, for the withdrawal of lands described below, from location and entry under the general mining laws, but not the mineral leasing laws, subject to valid existing rights.

The applicant wishes to assure tenure of the described lands which contain valuable recreational improvements.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 2120 Capitol Avenue, Cheyenne, Wyo., 82001.

The Department's regulations 43 CFR 2311.1-3(c) provide that the authorized officer of the Bureau of Land Management will undertake such investigations as are necessary to determine the existing and potential demand for the lands and their resources. He will also undertake negotiations with the applicant agency with the view of adjusting the application to reduce the area to the

minimum essential to meet the applicant's needs, to provide for the maximum concurrent utilization of the lands for purposes other than the applicant's, to eliminate lands needed for purposes more essential than the applicant's, and to reach agreement on the concurrent management of the lands and their resources.

The authorized officer will also prepare a report for consideration by the Secretary of the Interior who will determine whether or not the lands will be withdrawn as requested by the applicant agency.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

If circumstances warrant, a public hearing will be held at a convenient time and place, which will be announced.

The lands involved in the application are:

SIXTH PRINCIPAL MERIDIAN, WYOMING

BLACK HILLS NATIONAL FOREST

Reuter Campground

T. 51 N., R. 63 W.,

Sec. 9, NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ and S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$.

MEDICINE BOW NATIONAL FOREST

Easterbrook Administration Site

T. 28 N., R. 71 W.,

Sec. 10, S $\frac{1}{2}$ S $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ and that portion of lot 1 more particularly described as the N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ except that part of Mineral Survey 453, Helen K. Lode located in that portion of lot 1 herein described.

Pole Creek Campground

Yellow Pine Campground

T. 15 N., R. 72 W.,

Sec. 24, NE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, and N $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$.

Camel Creek Campground

T. 29 N., R. 75 W.,

Sec. 28, SW $\frac{1}{4}$ NE $\frac{1}{4}$.

Lake Owen Recreation Area

T. 14 N., R. 78 W.,

Sec. 25, SW $\frac{1}{4}$ and W $\frac{1}{2}$ SE $\frac{1}{4}$;

Sec. 26, E $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$;

Sec. 35, E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$;

Sec. 36, NW $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ NW $\frac{1}{4}$.

Rob Roy Reservoir Recreation Area

T. 14 N., R. 79 W.,

Sec. 3, Government lands lying in lots 3 and 4 containing 44.60 acres, more or less, E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, and SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$;

Sec. 4, Government lands lying in lot 1 containing 17.12 acres, more or less, SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$;

Sec. 9, S $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ E $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$, and W $\frac{1}{2}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$;

Sec. 10, N $\frac{1}{2}$ N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, and N $\frac{1}{2}$ SE $\frac{1}{4}$.

The areas described aggregate 1,380.72 acres.

ED PIERSON,
State Director.

[F.R. Doc. 66-428; Filed, Jan. 13, 1966; 8:45 a.m.]

**Geological Survey
ARKANSAS AND CERTAIN OTHER STATES**

Definitions of Known Geologic Structures of Producing Oil and Gas Fields

Former paragraph (c) of § 227.0, Part 227, Title 30, Chapter II, Code of Federal Regulations (1947 Supp.), codification of which has been discontinued by a document published in Part II of the FEDERAL REGISTER dated December 31, 1948, is hereby supplemented by the addition of the following list of defined structures effective as of the dates shown:

(4) ARKANSAS

Name of field	Effective date	Acreage
Gragg-Boonville (revision).....	May 17, 1965	74, 708

(5) CALIFORNIA

Chico-Martinez (revision and change of name. Formerly called Temblor field).....	Oct. 12, 1965	671
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(6) COLORADO

Cache.....	Aug. 16, 1965	1, 363
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(26) MONTANA

Cut Bank (revision).....	Sept. 16, 1965	133, 675
Flat Lake (revision—includes lands in North Dakota).....	Sept. 7, 1965	8, 836
Weldon.....	July 20, 1965	2, 880

(34) NORTH DAKOTA

Glenburn.....	June 7, 1965	8, 374
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(50) WYOMING

Dillinger Ranch.....	Oct. 26, 1965	2, 186
Hilawatha-Sugar Loaf (revision—includes lands in Colorado).....	Sept. 21, 1965	19, 342

ARTHUR A. BAKER,
Acting Director.

JANUARY 10, 1966.

[F.R. Doc. 66-463; Filed, Jan. 13, 1966; 8:46 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

FEDERAL FINANCIAL ASSISTANCE IN CONSTRUCTION OF NONCOMMERCIAL EDUCATIONAL TELEVISION BROADCAST FACILITIES

Applications Accepted for Filing

Notice is hereby given that effective with this publication the following described applications, for Federal financial assistance in the construction of noncommercial educational television broadcast facilities are accepted for filing in accordance with 45 CFR 60.7:

School District No. 1 in the city and county of Denver and State of Colorado,

414 14th Street, Denver, Colo. File No. 122, to expand the operation of the educational television station on Channel 6, Denver, Colo.

Twin City Area Educational Television Corp., 1640 Como Avenue, St. Paul, Minn., File No. 123, to expand the operation of the educational television station on Channel 2, St. Paul, Minn.

Texas Technological College, Lubbock, Tex., File No. 124, to expand the operation of the educational television station on Channel 5, Lubbock, Tex.

Central Michigan University, Mount Pleasant, Mich., File No. 125, for the establishment of a new noncommercial educational television station on Channel 14, Mount Pleasant, Mich.

Any interested person may, pursuant to 45 CFR 60.8, within 30 calendar days from the date of this publication, file comments regarding the above applications with the Director, Educational Television Facilities Program, U.S. Office of Education, Washington, D.C., 20202.

(76 Stat. 64, 47 U.S.C. 390)

RAYMOND J. STANLEY,
Director, Educational Television Facilities Program, Office of Education.

[F.R. Doc. 66-466; Filed, Jan. 13, 1966; 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 16312]

SERVICE TO LAKE TAHOE, CALIF., INVESTIGATION

Notice of Change of Date 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 matter is reassigned to be held before the undersigned Examiner on February 8, 1966, at 10 a.m., P.s.t., at the Tahoe Sands Motel located in Bijou, Calif., rather than on January 18, 1966, as previously scheduled.

Dated at Washington, D.C., January 10, 1966.

[SEAL] **ROBERT L. PARK,**
Hearing Examiner.

[F.R. Doc. 66-464; Filed, Jan. 13, 1966; 8:46 a.m.]

[Docket No. 16751]

TRANSGLOBE AIRWAYS, LTD.

Notice of Hearing

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding is assigned to be held on February 9, 1966, at 10 a.m., e.s.t., in Room 911, Universal Building, Connecticut and Florida Avenues NW., Washington, D.C., before the undersigned Examiner.

Dated at Washington, D.C., January 10, 1966.

[SEAL] **WALTER W. BRYAN,**
Hearing Examiner.

[F.R. Doc. 66-465; Filed, Jan. 13, 1966; 8:46 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Canadian Change List 206]

CANADIAN BROADCAST STATIONS

Changes, Proposed Changes and Corrections in Assignments

DECEMBER 14, 1965.

Notification under the provisions of Part III, section 2 of the North American Regional Broadcasting Agreement.

List of changes, proposed changes and corrections in assignments of Canadian Broadcast Stations modifying appendix containing assignments of Canadian Broadcast Stations (Mimeograph No. 4721423) attached to the recommendations of the North American Regional Broadcasting Agreement Engineering Meeting.

Call letters	Location	Power kw	Antenna	Schedule	Class	Expected date of commencement of operation
CKCN (now in operation with increased daytime power).	Sept Iles, Province of Quebec.	500 kc/s 10kwD/5kwN	DA-2	U	III	
CJFX (now in operation with increase in power).	Antigonish, Nova Scotia.	500 kc/s 10kw	DA-1	U	III	
CFCY (now in operation with increased power).	Charlottetown, Prince Edward Island.	630 kc/s 10kw	DA-2	U	III	
CBX (change in nighttime pattern).	Edmonton, Alberta.	740 kc/s 50kw	DA-2	U	II	E.I.O. 12-6-66.
CKWS (PO: 900 kc/s, 5kw, DA-1).	Kingston, Ontario.	900 kc/s 10kwD/5kwN	DA-2	U	III	E.I.O. 12-6-66.
CFCN (now in operation with increased nighttime power).	Calgary, Alberta.	1000 kc/s 50kwD/25kwN	DA-2	U	II	
CFCN (PO: 1000 kc/s, 50kwD/25kwN, DA-2).	Calgary, Alberta.	1000 kc/s 50kw	DA-2	U	II	E.I.O. 12-6-66.
CFVR (now in operation with increased daytime power).	Abbotsford, British Columbia.	1840 kc/s 1kwD/0.25kwN	ND	U	IV	
CHIQ (now in operation with change in daytime pattern).	Hamilton, Ontario.	1880 kc/s 10kwD/5kwN	DA-2	U	III	
CKLC (now in operation with increased daytime power).	Kingston, Ontario.	1380 kc/s 10kwD/5kwN	DA-2	U	III	
CFLD (now in operation).	Burns Lake, British Columbia.	1400 kc/s 0.25kw	ND	U	IV	
CKPT (change in location and increase in power) (PO: 1420 kc, 1kwD/0.5kwN, DA-2).	Peterborough, Ontario.	1480 kc/s 5kw	DA-2	U	III	E.I.O. 12-6-66.
CJRN (PO: 1600 kc, 10kw, DA-2).	Niagara Falls, Ontario.	1600 kc/s 50kw	DA-2	U	III	E.I.O. 12-6-66.

[SEAL]

FEDERAL COMMUNICATIONS COMMISSION,
BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-472; Filed, Jan. 13, 1966; 8:47 a.m.]

[Docket No. 16072; FCC 66M-55]

AMERICAN TELEPHONE & TELEGRAPH CO.

Order Continuing Hearing

In the matter of American Telephone & Telegraph Co., Docket No. 16072; revision of definition of service point in connection with private line services and

channels (20th revised page 18, American Telephone & Telegraph Co. Tariff FCC No. 134).

On the unopposed oral request of counsel for American Telephone & Telegraph Co., pending action by the Commission on the motion to consolidate proceedings filed January 5, 1966: *It is ordered*, This 6th day of January 1966, that (1) the requirement of furnishing written cases is suspended, and (2) the hearing is fur-

ther rescheduled from February 7 to May 3, 1966.

Released: January 7, 1966.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-473; Filed, Jan. 13, 1966; 8:47 a.m.]

[Docket No. 15752, etc.; FCC 66M-59]

CHARLES W. JOBBINS, ET AL.

Order Continuing Hearing

In re applications of Charles W. Jobbins, Costa Mesa-Newport Beach, Calif., Docket No. 15752, File No. BP-16157; Goodson-Todman Broadcasting, Inc., Pasadena, Calif., Docket No. 15754, File No. BP-16159; Orange Radio, Inc., Fullerton, Calif., Docket No. 15755, File No. BP-16160; Pacific Fine Music, Inc., Whittier, Calif., Docket No. 15756, File No. BP-16161; The Bible Institute of Los Angeles, Inc., Pasadena, Calif., Docket No. 15757, File No. BP-16162; C. D. Funk and George A. Baron, a partnership, doing business as Topanga Mallbu Broadcasting Co., Topanga, Calif., Docket No. 15758, File No. BP-16164; California Regional Broadcasting Corp., Pasadena, Calif., Docket No. 15759, File No. BP-16165; Storer Broadcasting Co. (KGBS), Pasadena, Calif., Docket No. 15760, File No. BP-16166; Robert S. Morton, Arthur Hanisch, Macdonald Carey, Ben F. Smith, Donald C. McBain, Robert Breckner, Louis R. Vincent, Robert C. Mardian, James B. Boyle, Robert M. Vaillancourt and Edwin Earl, doing business as Crown City Broadcasting Co., Pasadena, Calif., Docket No. 15762, File No. BP-16166; Pasadena Community Station, Inc., Pasadena, Calif., Docket No. 15763, File No. BP-16170; Voice in Pasadena, Inc., Pasadena, Calif., Docket No. 15764, File No. BP-16172; Western Broadcasting Corp., Pasadena, Calif., Docket No. 15765, File No. BP-16173; Pasadena Broadcasting Co., Pasadena, Calif., Docket No. 15766, File No. BP-16174; for construction permits:

It is ordered, This 6th day of January 1966, pursuant to the agreements reached at the further hearing conference held herein on this date, that the exchange of exhibits to be offered into evidence in the rebuttal presentations presently scheduled for January 24, 1966 is canceled;

It is further ordered, That the presently scheduled date of January 31, 1966, for the resumption of hearing is canceled and that in lieu thereto a further hearing conference shall be held herein on that date commencing at 10 a.m. in the offices of the Commission at Washington, D.C.

Released: January 7, 1966.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 66-474; Filed, Jan. 13, 1966; 8:47 a.m.]

[Docket Nos. 16292, 16293; FCC 66M-60]

**TRI-CITY BROADCASTING CO. AND
HENRYETTA RADIO CO.**

Order Continuing Hearing

In re applications of Harmon Davis, trading as Tri-City Broadcasting Co., Eufaula, Okla., Docket No. 16292, File No. BPH-4482; Henryetta Radio Co., Henryetta, Okla., Docket No. 16293, File No. BPH-4593; for construction permits.

The Hearing Examiner having under consideration the necessity for rescheduling the date for commencement of hearing:

It appearing, that a further prehearing conference was held on January 6, 1966, at which a new schedule was agreed upon in the light of impending rule making directed towards the allocation of a new channel to Henryetta, Okla.; and

It further appearing, that the date of January 12 was heretofore set for commencement of hearing but this will have to be altered:-

It is ordered, This 6th day of January 1966, that the date of January 12, 1966, for commencement of hearing is canceled, a further prehearing conference will be held on February 4 at 10 a.m. and the hearing will commence on March 14, 1966.

Released: January 7, 1966.

**FEDERAL COMMUNICATIONS
COMMISSION,**

[SEAL] **BEN F. WAPLE,**
Secretary.

[F.R. Doc. 66-475; Filed, Jan. 13, 1966;
8:47 a.m.]

**FEDERAL DEPOSIT INSURANCE
CORPORATION**

**VOLUNTEER-STATE BANK,
KNOXVILLE, TENN.**

**Application for Exemption From
Certain Provisions of Act**

Pursuant to authority granted the Corporation under sections 12(h) and 12(i) of the Securities Exchange Act of 1934, as amended, notice is hereby given to all interested parties that the Volunteer-State Bank, Knoxville, Tenn., has applied to the Federal Deposit Insurance Corporation for exemption from certain provisions of that Act. The bank has asked the Corporation to exempt it, its officers, directors and certain controlling persons from the requirements of sections 12, 13, 14, and 16 of the Act.

Notice is hereby given that interested persons will have an opportunity to present their written views or comments on this application within 20 days following the date of publication of this notice in the FEDERAL REGISTER. Communications should be addressed to the Secretary, Federal Deposit Insurance Corporation,

550 17th Street NW., Washington, D.C., 20429.

Dated this 6th day of January 1966.

**FEDERAL DEPOSIT INSURANCE
CORPORATION,**

[SEAL] **E. F. DOWNEY,**
Secretary.

[F.R. Doc. 66-448; Filed, Jan. 13, 1966;
8:45 a.m.]

FEDERAL MARITIME COMMISSION

**PORT OF OAKLAND AND HOWARD
TERMINAL**

**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 Oakland, 66 Jack London Square, Oakland, Calif.

Agreement No. T-1909, between the Port of Oakland (Oakland) and Howard Terminal (Howard) provides for the lease to Howard of certain premises in the Outer Harbor Terminal Area of the "Port Area" of Oakland, Calif., for a period ending June 30, 1968, to be used for the operation of a public utility wharf-inger business. As rental Howard will pay Oakland 65 percent of revenue from dockage, wharfage, wharf demurrage, etc., except Howard will pay 90 percent of revenue received on military cargo when Howard does not perform service and obtain revenue from the service and facilities charges. Oakland is guaranteed a minimum annual rental of \$170,261. The parties agree that the minimum annual guaranteed rental payable to Oakland by Howard pursuant to lease agreement Federal Maritime Commission No. 8305 between the parties covering certain marine terminal facilities at the Grove Street Terminal and the minimum annual guaranteed rental of One Hundred Seventy Thousand Two Hundred Sixty-one Dollars (\$170,261.00) payable pursuant to this agreement are

and shall be considered to be in effect a single guaranteed minimum annual rental of Two Hundred Sixty-nine Thousand Two Hundred Eighty-two Dollars (\$269,282.00) and revenue from dockage, wharfage, wharf demurrage, storage and freight transfer service charges earned upon either the premises at the Grove Street Terminal or upon the premises at the Outer Harbor Terminal covered by this lease shall apply against said combined minimum annual guaranteed rentals. Not more than 25 percent of Howard's gross income from operation of the leased premises during any year shall be derived from the storage of cargo which has not been discharged from or received for shipment by ocean carriers. Howard's charges shall be subject to review and control by Oakland and its tariff shall be filed with Oakland or, in lieu thereof, Howard may elect to use and be bound by Oakland's tariff. The rate control exercised by Oakland does not include the charge designated as "Service and Facilities Charge." Howard agrees to permit any responsible person, firm or corporation to perform stevedoring operations upon the premises.

Dated: January 11, 1966.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-468; Filed, Jan. 13, 1966;
8:47 a.m.]

**PORT OF OAKLAND AND HOWARD
TERMINAL**

**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 Oakland, 66 Jack London Square, Oakland, Calif.

Agreement No. 8305-3, between the Port of Oakland (Oakland) and Howard Terminal (Howard) modifies the basic agreement of the parties which provides

for the lease of Oakland's Grove Street Pier, Market Street Pier, and the Quay Wall Area adjoining the Market Street Pier. The purpose of the modification is to (1) delete the Market Street Pier and add certain contiguous property; (2) allow Howard to use Market Street Pier if not in use by others; (3) amend the term of the lease; (4) reduce the minimum guaranteed annual rental and modify the division of revenue; and (5) reduce the allowable revenue which may be received from the storage of cargo.

Dated: January 11, 1966.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-469; Filed, Jan. 13, 1966;
8:47 a.m.]

PORT OF OAKLAND AND MARINE TERMINALS CORP.

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 Oakland, 66 Jack London Square, Oakland, Calif.

Agreement No. T-1908, between the Port of Oakland (Oakland) and Marine Terminals Corp. (Terminals) provides for a 2-year nonexclusive preferential assignment to Terminals of certain premises in the "Port Area" of Oakland, Calif., for the purpose of docking, loading and unloading vessels. Oakland reserves the right to make temporary assignments of the space to other parties whenever such use will not unduly interfere with the use of the premises by Terminals. As compensation Terminals will pay Oakland 65 percent of revenue from dockage, wharfage, wharf demurrage, etc., except Terminals will pay 90 percent of revenue received on military cargo when Terminals does not perform service and obtain revenue from the service and facilities

charges. Oakland is guaranteed a minimum annual compensation of \$170,000. Terminals may not use more than 25 percent of the leased premises for storage without the prior consent of Oakland. Terminals' charges shall conform with charges appearing in Oakland's Port Tariff, and shall be subject to review and control by Oakland. Terminals' tariff shall be filed with Oakland or, in lieu thereof, Terminals may elect to use and be bound by Oakland's tariff. The rate control exercised by Oakland does not include the charge designated as "Service and Facilities Charge." Terminals agrees to permit any responsible person, firm or corporation to perform stevedoring operations upon the premises.

Dated: January 11, 1966.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 66-470; Filed, Jan. 13, 1966;
8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket No. RI65-599]

GULF OIL CORP.

Order Amending Order Providing for Hearings on and Suspension of Proposed Changes in Rates To Permit Substitute Rate Filing, and Making Rate Effective Subject to Refund

JANUARY 7, 1966.

On March 30, 1965, Gulf Oil Corp. (Gulf) filed with the Commission a proposed change in rate, from 15.0 cents to 17.5 cents per Mcf, designated as Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174, which pertains to its jurisdictional sales of natural gas from the Dry Piney Area, Sublette County, Wyo., to El Paso Natural Gas Co. (El Paso). The Commission by order issued April 30, 1965, suspended Gulf's proposed rate increase and deferred the use thereof for 5 months until October 2, 1965, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

On December 8, 1965, Gulf submitted for filing a notice of change in rate reflecting a fractured rate increase from 15.0 cents to 16.0 cents per Mcf¹ which amends the presently suspended rate increase from 15.0 cents to 17.5 cents per Mcf suspended in Docket No. RI65-599 until October 2, 1965. The proposed amended notice of change in rate has been designated as Supplement No. 1 to Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174. Under the substitute filing, the estimated annual amount of the increase to El Paso would be reduced from \$12,450 to \$4,980. Concurrently with its amended rate change, Gulf filed a motion in Docket No. RI65-599 to place the proposed 16.0 cents per

¹ "Fractured" rate. Rate of 18.5 cents per Mcf contractually due Jan. 1, 1962.

Mcf rate in effect subject to refund, and by letter of December 27, 1965, proposed that the amended rate change be made effective December 8, 1965, the date of filing by Gulf of its motion to place the rate in effect.

The Commission finds:

(1) Good cause exists for amending the suspension order issued herein on April 30, 1965, so as to permit the substitution as of December 8, 1965, the 16.0-cent rate provided by Supplement No. 1 to Supplement No. 3 for the 17.5-cent rate provided by Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174, subject to the existing suspension proceeding in Docket No. RI65-599.

(2) The rate, charge and classification set forth in Supplement No. 1 to Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174 should be permitted to become effective subject to refund as of December 8, 1965.

The Commission orders:

(A) The suspension order issued April 30, 1965, in Docket No. RI65-599, is amended only so as to permit the filing of Supplement No. 1 to Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174, subject to the existing suspension proceeding in Docket No. RI65-599.

(B) Supplement No. 1 to Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174 shall be effective, subject to refund, as of December 8, 1965.

(C) The agreement and undertaking filed in Docket No. RI65-599 on December 8, 1965, appears to be satisfactory and is accepted for filing. The effective rate set forth in Supplement No. 1 to Supplement No. 3 to Gulf's FPC Gas Rate Schedule No. 174 shall be charged and collected commencing on December 8, 1965, subject to any future orders of the Commission in this proceeding.

(D) In all other respects, the order issued by the Commission on April 30, 1965, shall remain unchanged and in full force and effect.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-434; Filed, Jan. 13, 1966;
8:45 a.m.]

[Docket No. RI66-232]

OKLAHOMA NATURAL GAS CO.

Order Providing for Hearing on and Suspension of Proposed Change in Rate

JANUARY 7, 1966.

On December 13, 1965, Oklahoma Natural Gas Co. (Oklahoma Natural)¹ tendered for filing a proposed change in its presently effective rate schedule for sales of natural gas subject to the jurisdiction of the Commission. The proposed change, which constitutes an increased rate and charge, is contained in the following designated filing:

Description: Notice of change, undated.

Purchaser and producing area: Northern Natural Gas Co. (Mocane-Camp Creek Area, Beaver County, Okla.) (Panhandle Area).

¹ Address is Post Office Box 871, Tulsa, Okla., 74102.

Rate schedule designation: Supplement No. 2 to Oklahoma Natural's FPC Gas Rate Schedule No. 18.

Effective date: January 13, 1966.³
 Amount of annual increase: \$4,300.
 Effective rate: 17.0 cents per Mcf.³
 Proposed rate: 18.0 cents per Mcf.^{3,4}
 Pressure Base: 14.65 p.s.i.a.

Oklahoma Natural's proposed rate exceeds the applicable price level for increased rates in the Oklahoma Panhandle Area as set forth in the Commission's Statement of General Policy No. 61-1, as amended (18 CFR, Ch. I, Pt. 2, § 2.56).

The proposed change rate and charge may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of the proposed change, and that Supplement No. 2 to Oklahoma Natural's FPC Gas Rate Schedule No. 18 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held upon a date to be fixed by notice from the Secretary concerning the lawfulness of the proposed increased rate and charge contained in Supplement No. 2 to Oklahoma Natural's FPC Gas Rate Schedule No. 18.

(B) Pending such hearing and decision thereon, Supplement No. 2 to Oklahoma Natural's FPC Gas Rate Schedule No. 18 is hereby suspended and the use thereof deferred until June 13, 1966, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has

expired, unless otherwise ordered by the Commission.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before February 23, 1966.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
 Secretary.

[F.R. Doc. 66-435; Filed, Jan. 13, 1966; 8:45 a.m.]

[Docket No. RI60-214]

BRITISH-AMERICAN OIL PRODUCING CO.

Order Accepting Decreased Rate Filing Subject to Further Refund and Requiring Refunds

JANUARY 7, 1966.

The British-American Oil Producing Co. (British-American) on December 10, 1965, tendered for filing a renegotiated rate decrease from 16.8 cents to 12.35 cents per Mcf at 14.65 p.s.i.a., reflecting conversion of the buyer's system from high pressure to low pressure. The present effective rate for high pressure gas is in effect subject to refund in Docket No. RI60-214. The decreased rate filing is set forth in Appendix A hereof.

The proceeding in Docket No. RI60-214 involves a rate increase filed by British-American on February 26, 1960, proposing to increase its rate to 16.8 cents per Mcf at 14.65 p.s.i.a. for sales of natural gas to Lone Star Gas Co. in Northeast Elmore Field, Garvin County, Okla. (Oklahoma "Other" Area). The proposed increase, designated as Supplement No. 2 to British-American's FPC Gas Rate Schedule No. 11, was suspended by the Commission's order issued March 25, 1960, until August 28, 1960, and was later permitted to become effective subject to refund as of August 28, 1960.

British-American requests a retroactive effective date of April 1, 1964, the contractual effective date for its pro-

posed rate decrease. Since the proposed rate decrease is due to the conversion of the buyer's system from high pressure to low pressure, we believe that it would be in the public interest to waive the 30-day notice requirement provided in section 4(d) of the Natural Gas Act and accept for filing British-American's proposed decreased rate effective as of April 1, 1964, subject to refund in the existing rate suspension proceeding in Docket No. RI60-214. In view of our action herein we shall also require British-American to refund any amounts, plus 7 percent interest per annum, collected in excess of the 12.35 cents per Mcf rate since April 1, 1964.

The Commission finds: It is necessary and proper in carrying out the provisions of the Natural Gas Act and the Regulations thereunder to accept for filing the proposed rate decrease, designated as Supplement No. 3 to British-American's FPC Gas Rate Schedule No. 11, effective as of April 1, 1964, subject to further refund in Docket No. RI60-214; and for requiring British-American to make refunds and account therefor as hereinafter provided.

The Commission orders:

(A) The proposed rate decrease, designated as Supplement No. 3 to British-American's FPC Gas Rate Schedule No. 11, is accepted for filing effective as of April 1, 1964, subject to further refund in Docket No. RI60-214.

(B) British-American shall within 45 days from the date of issuance of this order (1) refund to Lone Star Gas Co. the amount of money collected in this proceeding in excess of 12.35 cents from April 1, 1964, to the date of issuance of this order, with interest at 7 percent per annum to the date of this order, and (2) report to the Commission, in writing, the amount of refunds paid to Lone Star Gas Co., showing separately the amount of principal and interest so paid, and the basis for such determination, together with a satisfactory release from Lone Star Gas Company.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
 Secretary.

APPENDIX A

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual decrease	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed decreased rate	
RI60-214...	The British-American Oil Producing Co., Post Office Box 749, Dallas, Tex., 75221.	11	13	Lone Star Gas Co. (Northeast Elmore Field, Garvin County, Okla.) (Oklahoma "Other" Area).	\$4,910	12-10-65	14-1-64	-----	16.8	12.35	RI60-214.

¹ Includes letter agreement dated Sept. 2, 1965, which, among other things, provides for decreased rate for remaining life of contract due to conversion of part of buyer's high pressure system to low pressure because of general decline in delivery pressure. An effective date of Apr. 1, 1964, is provided for the rate decrease, although the change in pressure in the system was effective Nov. 20, 1963.

² Contractually effective date of decrease.

³ Renegotiated rate decrease.

⁴ Pressure base is 14.65 p.s.i.a.

⁵ Low pressure gas.

⁶ High pressure gas.

[F.R. Doc. 66-437; Filed, Jan. 13, 1966; 8:45 a.m.]

³ The stated effective date is the effective date requested by Respondent.

⁴ Subject to a downward B.t.u. adjustment.

⁵ Periodic rate increase.

[Docket No. RI66-234, etc.]

NORTHERN PUMP CO. ET AL.**Order Providing for Hearing on and Suspension of Proposed Changes in Rates, Effective Subject to Refund¹**

JANUARY 7, 1966.

The Respondents named herein have filed proposed changes in rates and charges of currently effective rate schedules for sales of natural gas under Commission jurisdiction, as set forth in Appendix A hereof.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until date shown in the "Date Suspended Until" column, and thereafter until made effective as prescribed by the Natural Gas Act: *Provided, however*, That the supplements to the rate schedules filed by Respondents, as set forth herein, shall become effective subject to refund on the date and in the manner herein prescribed if within 20 days from the date of the issuance of this order Respondents shall each execute and file under its above-designated docket number with the Secretary of the Commission its agreement and undertaking to comply with the refunding and reporting procedure required by the Natural Gas Act

and § 154.102 of the regulations thereunder, accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved. Unless Respondents are advised to the contrary within 15 days after the filing of their respective agreements and undertakings, such agreements and undertakings shall be deemed to have been accepted.

(C) Until otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedules sought to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C., 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before March 2, 1966.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE,
Secretary.

APPENDIX A

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI66-234	Northern Pump Co. (Operator), et al., Post Office Box 7277, Camden Station, Minneapolis, Minn.	22	8	Phillips Petroleum Co. ² (Guymon-Hugoton Field, Texas County, Okla.) (Panhandle Area).	\$428	12-13-65	³ 1-13-66	⁴ 1-14-66	⁵ 10.7149	⁶ 11.5961	RI66-66.
RI66-235	Socony Mobil Oil Co., Inc., Post Office Box 2444, Houston, Tex., 77001.	35	10do ²	61	12-16-65	³ 1-16-66	⁴ 1-17-66	⁵ 10.45129	⁶ 11.5961	RI61-349.
RI66-236	Socony Mobil Oil Co., Inc. (Operator), et al.	67	16	Phillips Petroleum Co. ² (Texas Hugoton Field, Sherman and Hansford Counties, Tex.) (R.R. District No. 10).	60,792	12-16-65	³ 1-16-66	⁴ 1-17-66	⁵ 10.59238	⁶ 11.7626	RI61-351.

¹ Phillips resells the gas under its FPC Gas Rate Schedule No. 4 to Michigan Wisconsin Pipe Line Co. at a present effective rate of 15.22 cents per Mcf, plus applicable tax reimbursement, which was made effective subject to refund in Docket No. RI65-526 on Dec. 10, 1965.

² The stated effective date is the 1st day after expiration of the required statutory notice.

³ The suspension period is limited to 1 day.

⁴ Revenue-sharing rate increase.

⁵ Pressure base is 14.65 p.s.i.a.

⁶ Subject to a deduction of 0.4466 cent for sour gas and a downward B.t.u. adjustment of 1/100 cent per Mcf per B.t.u. below 970. B.t.u. content for Northern Pump is 882; for Socony 1050 and 994, respectively.

⁷ Based on 162.267 percent of Respondent's base price of 7.1463 cents (162.267 percent equals Phillips' present rate of 15.22 cents divided by Phillips' base price of 9.3796 cents times 100).

⁸ Based on 149.937 percent of Northern Pump's base price of 7.1463 cents (149.937 percent equals Phillips' previous rate of 14.0635 cents divided by Phillips' base price of 9.3796 cents times 100).

⁹ Based on 165.72 percent of Socony's base price of 6.3066 cents (165.72 percent equals Phillips' prior rate of 14.0635 cents divided by Phillips' prior base price of 8.4963 cents times 100).

¹⁰ Includes 0.14109 cent tax reimbursement before increase and 0.1565 cent tax reimbursement after increase.

Northern Pump Co. (Operator), et al. (Northern Pump), request that their proposed rate increase be permitted to become effective as of the date of filing on December 13, 1965. Socony Mobil Oil Co., Inc., and Socony Mobil Oil Co., Inc. (Operator), et al. (both referred to herein as Socony) request that their proposed rate increases be allowed to become effective one day after the date of filing on December 16, 1965. Good cause has not been shown for waiving the 30-day notice requirement provided in section 4(d) of the Natural Gas Act to permit earlier effective dates for Northern Pump and Socony's rate filings and such requests are denied.

Northern Pump and Socony's proposed revenue-sharing rate increases are for wellhead sales of gas to Phillips Petroleum Co. (Phillips) from the Hugoton Field, Oklahoma Panhandle Area and Texas Railroad District No. 10. Phillips gathers the gas, processes it in

its Sherman Gasoline Plant and resells the residue gas to Michigan Wisconsin Pipe Line Co. under its FPC Gas Rate Schedule No. 4 at a rate of 15.22 cents per Mcf, plus applicable tax reimbursement, recently made effective subject to refund in Docket No. RI65-526 as of December 10, 1965. Northern Pump and Socony's proposed revenue-sharing increases are based on Phillips' 15.22 cents per Mcf resale rate. The proposed rate also exceeds the applicable area increased rate ceiling of 11.0 cents per Mcf for the areas involved. The sales involved are for nonpipeline quality gas. We consider the increased rate ceiling to be applicable at the outlet of the processing plant which is the point of delivery to the pipeline company. Under the circumstances, we believe that Northern Pump and Socony's rate increases should be suspended for one day from the date shown in the "Effective Date" column of the attached Appendix A.

[F.R. Doc. 66-436; Filed, Jan. 13, 1966; 8:45 a.m.]

[Docket No. CI66-16]

**CHARLES L. REED, LOUIS FABIAN,
ET AL.**

Notice of Continuance of Hearing

JANUARY 7, 1966.

Take notice that the hearing now set to be held on January 25, 1966, concerning the matters involved in and the issues presented by the application in the above-numbered docket is continued to February 1, 1966, at 10 a.m., e.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 66-438; Filed, Jan. 13, 1966; 8:45 a.m.]

¹ Does not consolidate for hearing or dispose of the several matters herein.

FEDERAL COAL MINE SAFETY BOARD OF REVIEW

STATEMENT OF ORGANIZATION

Change of Address of Board Office

Section 3(a) of the Statement of Organization (28 F.R. 1123) is amended to read as follows:

SEC. 3 Office; correspondence. (a) The principal office of the Federal Coal Mine Safety Board of Review is located in Room 707-8, Universal North Building, 1875 Connecticut Avenue NW., Washington, D.C., 20452.

Adopted by the Federal Coal Mine Safety Board of Review at its office in Washington, D.C., on the 10th day of January 1966.

TROY L. BACK,

Executive Secretary of the Board.

[F.R. Doc. 66-432; Filed, Jan. 13, 1966; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[812-1826]

BARBER OIL CORP.

Order Postponing Hearing on Application for Order That Company Is Not an Investment Company

JANUARY 10, 1966.

Barber Oil Corp. ("Barber"), 30 Rockefeller Plaza, New York, N.Y., 10020, a corporation organized and existing under the laws of the State of Delaware, has filed an application pursuant to section 3(b) (2) of the Investment Company Act of 1940 ("Act") for an order of the Commission declaring that it is primarily engaged in a business or businesses other than that of investing, reinvesting, owning, holding or trading in securities either directly or through majority-owned subsidiaries.

On December 15, 1965, the Commission issued a notice of filing of said application (Investment Company Act Release No. 4449) and also ordered that a hearing on the application be held on January 12, 1966, at 10 a.m. in the Office of the Commission, 425 Second Street NW., Washington, D.C.

Counsel for Barber has requested a postponement of the hearing until January 26, 1966, at 10 a.m., and counsel for the Division of Corporate Regulation does not oppose such postponement.

It is ordered, Pursuant to Rule 13(c) of the Commission's rules of practice that the hearing on the aforesaid application is hereby postponed until January 26, 1966, at 10 a.m. in the Office of the Commission at 425 Second Street NW., Washington, D.C.

It is further ordered, That the time within which any person desiring to be heard or otherwise participate in this proceeding shall file his request therefor with the Secretary of the Commission

under Rule 9 of the Commission's rules of practice is hereby extended to January 22, 1966, at 5:30 p.m.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 66-439; Filed, Jan. 13, 1966; 8:45 a.m.]

[File No. 70-4340]

UNITED GAS CORP. ET AL.

Proposed Issue and Sale of Common Stock and Promissory Note by Subsidiary Companies to Parent Company

JANUARY 10, 1966.

Notice is hereby given that United Gas Corp. ("United"), 1525 Fairfield Avenue, Shreveport, La., 71102, a gas utility subsidiary company of Pennzoil Co., a registered holding company, UGC Instruments, Inc. ("Instruments"), a wholly-owned subsidiary company of United, and Duval Corp. ("Duval"), a majority-owned subsidiary company of United, have filed a joint application-declaration and amendments thereto with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6, 7, 9, 10, and 12(e) of the Act as applicable to the transactions therein proposed. All interested persons are referred to said amended application-declaration, on file in the office of the Commission, for a description of the proposed transactions which are summarized below.

The transactions proposed are (a) the issue and sale by Instruments, and the acquisition by United, of 348 authorized but unissued shares of Instruments' common stock, \$1.00 par value per share, at a price of \$862.07 per share or \$300,000 in the aggregate; (b) open account advances by Instruments of (i) \$150,000 to Benson-Lehner, Limited ("Limited"), a wholly-owned subsidiary of Instruments, at an interest rate of 4 percent per annum, and (ii) \$50,000 to Benson-Lehner Corp. ("Benson-Lehner"), also a wholly-owned subsidiary of Instruments, at an interest rate of 5 percent per annum; and (c) the issue and sale by Duval, and the acquisition by United, of a \$2,000,000 unsecured promissory note of Duval, to mature 3 years from the date of issuance, to bear interest at the rate of 5 percent per annum, and to be prepayable in whole or in part at any time without premium.

The acquisitions by United of said common stock of Instruments and promissory note of Duval will be in repayment of non-interest-bearing cash advances heretofore made by United to those subsidiary companies pursuant to the exemptive provisions of Rule 45(b) (3) under the Act. Similarly, the proposed interest-bearing open account advances by Instruments to Limited and to Benson-Lehner will replace non-interest-bearing cash advances heretofore made by Instruments to those subsidiary companies under said rule.

The filing states that the various non-interest-bearing open account advances have been made for the purpose of furnishing the recipient companies with working capital and for other specified corporate purposes. The filing further states that all of the proposed and related transactions were the subject of intercorporate contracts and agreements which had been entered into among United and said subsidiary companies sometime prior to December 21, 1965, the date when United's parent company, Pennzoil Co., filed a notification of registration pursuant to section 5(a) of the Act and United became a subsidiary company of a registered holding company.

It is further stated that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions. No special or separate fees and expenses are anticipated in connection with the proposed transactions.

Notice is further given that any interested person may, not later than January 25, 1966, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said amended application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C., 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicants-declarants at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed contemporaneously with the request. At any time after said date, the application-declaration, as amended or as it may be further amended, may be granted and permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 66-440; Filed, Jan. 13, 1966; 8:45 a.m.]

[812-1875]

NATIONAL INVESTORS CORP.

Filing of Application for Order Exempting Sale by Open-End Company of Its Shares

JANUARY 10, 1966.

Notice is hereby given that National Investors Corp. ("applicant") 65 Broadway, New York, N.Y., 10006, which is registered under the Investment Company Act of 1940 ("Act") as an open-end

diversified investment company, has filed an application pursuant to section 6(c) of the Act for an order of the Commission exempting from the provisions of section 22(d) of the Act the proposed issuance of its shares at net asset value to C-T-C Corp. ("C-T-C") in exchange for substantially all of the assets of C-T-C. An exemptive order is requested since the proposed sale of applicant's shares is to be made at a price other than at the public offering price, which normally includes a sales charge in addition to the net asset value which applicant receives from the principal underwriter through whom such public offering is made. All interested persons are referred to the application on file with the Commission for a statement of the representations therein which are summarized below.

C-T-C is a Delaware corporation, all of whose outstanding securities are owned beneficially by less than 100 persons. Pursuant to an Agreement and Plan of Reorganization and Liquidation, applicant will acquire substantially all of the assets of C-T-C in exchange for stock of applicant which will thereafter be distributed to shareholders of C-T-C in liquidation. None of the principal shareholders of C-T-C has any present intention of redeeming or otherwise transferring the shares of applicant which he will acquire.

The application indicates that the number of shares of applicant's stock to be delivered to C-T-C will be determined by dividing the aggregate value of the net assets of C-T-C to be transferred, as adjusted, by the per share net asset value of applicant's stock. The proposed adjustment, which is described in the application, is designed to compensate applicant for potential Federal income taxes which would become payable upon realization of the appreciation in value of the securities of C-T-C to the extent that any such appreciation may proportionately exceed the appreciation in the value of the securities of applicant.

As of November 19, 1965, the net assets of applicant amounted to \$531,661,839, of which \$206,396,618 or approximately 39 percent represented unrealized appreciation, and the net assets of C-T-C amounted to \$358,131, of which \$153,410 or approximately 42.8 percent represented unrealized appreciation. Applicant presently intends to sell, subsequent to acquisition, approximately 40 percent of the assets of C-T-C to be acquired. The per share asset value of applicant's stock as of November 19, 1965, was \$20.38, and if the exchange had been consummated that day, 17,408 shares would have been delivered to C-T-C after the adjustment in valuation of C-T-C's net assets.

Notice is further given that any interested person may, not later than January 26, 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] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 66-441; Filed, Jan. 13, 1966;
8:45 a.m.]

SMALL BUSINESS ADMINISTRATION

[Delegation of Authority No. 5.1]

ASSISTANT DEPUTY ADMINISTRATOR FOR PROCUREMENT AND MAN- AGEMENT ASSISTANCE

Delegation of Procurement Assistance

I. Pursuant to the authority vested in the Deputy Administrator by the Administrator, Delegation of Authority No. 5, 29 F.R. 4113, the following authority is hereby redelegated to the Assistant Deputy Administrator for Procurement and Management Assistance:

A. *Procurement assistance.* 1. To negotiate and recommend approval of joint agreements and memoranda of understanding with other Government contracting, procurement or disposal agencies.

2. To take any and all actions necessary to carry out the provisions of joint agreements and memoranda of understanding with other Government contracting, procurement or disposal agencies.

3. To take any and all actions necessary to carry out SBA's authority to insure that a fair proportion of total Government procurements, including research and development procurements, be made from small business.

4. To take any and all actions necessary to carry out SBA's authority to encourage the letting of subcontracts by prime contractors to small business concerns.

5. To take any and all actions necessary to carry out SBA's authority to insure that a fair proportion of the total sales of Government property be made to small business concerns.

6. To take any and all actions relating to SBA prime contracting authority.

7. To take any and all actions necessary to carry out the certificate of competency provisions of the Small Business Act, including the issuance or denial of such certificates.

8. To take any and all actions necessary to carry out SBA's authority to make an inventory of productive facilities of small business concerns.

9. To take any and all actions necessary to carry out SBA's authority to utilize effectively the productive facilities of small business concerns.

10. To take any and all actions necessary to carry out SBA's authority to enable small business to obtain materials from its normal sources.

11. To take any and all actions necessary to carry out SBA's authority for procurement assistance in surplus labor areas and area redevelopment areas in the implementation of procurement assistance programs in such areas.

II. The specific authorities delegated herein may not be redelegated.

Effective date. December 10, 1965.

IRVING MANESS,
Deputy Administrator for Procurement and Management Assistance.

[F.R. Doc. 66-443; Filed, Jan. 13, 1966;
8:45 a.m.]

[Delegation of Authority 30; Northeastern Area (Amdt. 4)]

NORTHEASTERN AREA

Delegation of Authority To Conduct Program Activities in Regional Offices

Pursuant to the authority delegated to the Area Administrator by Delegation of Authority No. 30 (Revision 10), 30 F.R. 972, as amended, 30 F.R. 2742, 11984, and 12434; Delegation of Authority 30 F.R. 3251, as amended, 30 F.R. 13030, 13419, and 14061, is hereby further amended by revising Item II.5. to read as follows:

II. . . .

5. Item I.A.13, above; Only to the Regional Director, Hartford. To Regional Director, Augusta—Only the authority for servicing, administration and collection, including subitems a, b, and c.

Effective date. December 6, 1965.

THOMAS J. NOONAN,
Area Administrator,
Northeastern Area, Boston.

[F.R. Doc. 66-444; Filed, Jan. 13, 1966;
8:45 a.m.]

[Declaration of Disaster Area 559]

ARKANSAS

Declaration of Disaster Area

Whereas, it has been reported that during the month of December 1965, because of the effects of certain disasters, damage resulted to residences and business property located in Greene and Lawrence Counties in the State of Arkansas;

Whereas, the Small Business Administration has investigated and has received other reports of investigations of conditions in the areas affected;

Whereas, after reading and evaluating reports of such conditions, I find that the conditions in such areas constitute a catastrophe within the purview of the Small Business Act, as amended.

Now, therefore, as Executive Administrator of the Small Business Administration, I hereby determine that:

1. Applications for disaster loans under the provisions of section 7(b) (1) of the Small Business Act, as amended, may be received and considered by the Offices below indicated from persons or firms whose property, situated in the aforesaid counties and areas adjacent thereto, suffered damage or destruction resulting from floods and heavy rains, and accompanying conditions occurring on or about December 26, 1965.

OFFICE

Small Business Administration Regional Office, 600 West Capital Avenue, Little Rock, Ark., 72201.

2. Temporary office will be established at Walnut Ridge, Ark., address to be announced locally.

3. Applications for disaster loans under the authority of this Declaration will not be accepted subsequent to July 31, 1966.

Dated: January 4, 1966.

Ross D. DAVIS,
Executive Administrator.

[F.R. Doc. 66-445; Filed, Jan. 13, 1966;
8:45 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice No. 114]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

JANUARY 11, 1966.

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 67485 (Sub-No. 3 TA), filed January 6, 1966. Applicant: TEXAS FILM SERVICE, INC., 518 South Main Street, San Antonio, Tex., 78205. Applicant's representative: David A. Sutherland, 1120 Connecticut Avenue NW., Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except classes A and B explosives, household goods as defined by the Commission, and commodities in bulk, having a prior or subsequent movement by air), between airports located in Dallas, Tarrant, Bexar, and Harris Counties, Tex., on the one hand, and, on the other, points in Texas over the routes described as follows: (1) From Dallas, Tex., over U.S. Highway 77 (and/or Interstate Highway 35E) to Waco, Tex., and thence over U.S. Highway 81 (and/or Interstate Highway 35) to San Antonio, Tex., and return over the same route; (2) from Temple, Tex., over Texas Highway 95, to Taylor, Tex., and thence over U.S. Highway 79, to the junction of U.S. Highway 79 and U.S. Highway 81, and return over the same route; (3) from Austin, Tex., over U.S. Highway 183, to Gonzales, Tex., and return over the same route; (4) from Luling, Tex., over Texas Highway 80, to San Marcos, Tex., and return over the same route; (5) from San Antonio, Tex., over U.S. Highway 90 (and/or Interstate Highway 10), to Houston, Tex., and return over the same route; (6) from San Antonio, Tex., over U.S. Highway 87, to Nixon, Tex., thence over Texas Highway 80 to the junction of Texas Highway 80 and Texas Highway 97, and thence over Texas Highway 97 to Gonzales, Tex., and return over the same route; and (7) from Seguin, Tex., over Texas Highway 123, to Stockdale, Tex., and return over the same route, serving all intermediate points and the off-route points of: Dallas, Tarrant, Ellis, Hill, McLennan, Falls, Bell, Williamson, Travis, Hays, Caldwell, Guadalupe, Bexar, Wilson, Gonzales, Lavaca, Fayette, Colorado, Austin, Waller, and Harris Counties, Tex., for 180 days. Supporting shippers: There are approximately 30 supporting statements attached to the application, which may be examined here at the Interstate Commerce Commission, in Washington, D.C. Send protests to: James H. Berry, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 206 Marion Building, 301 Broadway, San Antonio, Tex., 78205.

No. MC 67691 (Sub-No. 3 TA), filed January 6, 1966. Applicant: VALLEY FILM SERVICE, INC., 518 South Main Street, San Antonio, Tex., 78205. Applicant's representative: David A. Sutherland, 1120 Connecticut Avenue, Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities* (except class A and B explosives, household goods as

defined by the Commission, and commodities in bulk, having a prior or subsequent movement by air), between airports located in Bexar and Harris Counties, Tex., on the one hand, and, on the other, points in Texas over the routes described as follows: (1) From San Antonio, Tex., over U.S. Highway 281, to Corpus Christi, Tex., and return over the same route; (2) from Beeville, Tex., over Texas Highway 202, to Refugio, Tex., thence over Texas Highway 774 to the junction of Texas Highway 774 and Texas Highway 35, and thence over Texas Highway 35 to the junction of Texas Highway 35 and U.S. Highway 181, and return over the same route; (3) from Corpus Christi, Tex., over Texas Highway 44, to Alice, Tex., and return over the same route; (4) from Alice, Tex., over Texas Highway 665, to Driscoll, Tex., and return over the same route; (5) from Alice, Tex., over U.S. Highway 281, to Pharr, and return over the same route; (6) from Houston, Tex., over U.S. Highway 59, to Victoria, Tex., and thence over U.S. Highway 77 to Brownsville, Tex., and return over the same route; (7) from San Manuel, Tex., over Texas Highway 186, to Raymondville, Tex., and return over the same route; (8) from the junction of Texas Highway 681 and Texas Highway 107, over Texas Highway 107 to the junction of Texas Highway 107 and U.S. Highway 77, and return over the same route; (9) from the junction of Texas Highway 681 and Texas Highway 107, over Texas Highway 681 to McAllen, Tex., and return over the same route; and, from McAllen, Tex., over U.S. Highway 83, to Harlingen, Tex., and return over the same route, serving all intermediate points and the off-route points of: Bexar, Wilson, De Witt, Lavaca, Wharton, Fort Bend, Harris, Brazoria, Matagorda, Jackson, Victoria, Goliad, Karnes, Bee, Refugio, San Patricio, Jim Wells, Nueces, Kleberg, Kenedy, Brooks, Hidalgo, Wilbacy, and Cameron Counties, Tex., for 180 days. Supporting shippers: There are approximately 25 letters of support attached to the application, which may be examined here at the Interstate Commerce Commission, in Washington, D.C. Send protests to: James H. Berry, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 206 Marion Building, 301 Broadway, San Antonio, Tex.

No. MC 109326 (Sub-No. 85 TA), filed January 6, 1966. Applicant: C & D TRANSPORTATION CO., INC., Post Office Box 1503, Mobile, Ala. Applicant's representative: John W. Cooper, 805 Title Building, Birmingham, Ala., 35203. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Perishable food and foodstuffs and commodities requiring temperature control*, in vehicles equipped with mechanical refrigeration, between New Orleans, La., and Mobile, Ala., over U.S. Highway 90 (and Interstate Highway 10), serving all intermediate points and the off-route point of the National Aeronautics and Space Administration Test Site near Santa Rosa, Miss., for 180 days. NOTE: Applicant proposes to tack the above authority with its existing

authority; however, the authority is restricted against shipments in single-line service from points in Florida to New Orleans, La. Supporting shippers: There are 18 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, Bureau of Operations and Compliance, Interstate Commerce Commission, Room 212, South 20th Building, 908 South 20th Street, Birmingham, Ala., 35205.

No. MC 114533 (Sub-No. 117 TA), filed January 6, 1966. Applicant: B. D. C. CORPORATION, 4970 South Archer Avenue, Chicago, Ill., 60632. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Papers used in processing of data by computing machines, punch cards, magnetic encoded documents, magnetic tape, punch paper tape, printed reports, documents and office records, between Chicago, Ill., on the one hand, and, on the other, Fort Atkinson, Wis., for 150 days.* Supporting shipper: C. F. Division, St. Regis, 1243 West Washington Boulevard, Chicago, Ill., 60607. Send protests to: Charles J. Kudelka, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 219 South Dearborn Street, Chicago, Ill., 60604.

No. MC 120777 (Sub-No. 2 TA), filed January 6, 1966. Applicant: REED FILM SERVICE, INC., 518 South Main Street, San Antonio, Tex., 78205. Applicant's representative: David A. Sutherland, 1120 Connecticut Avenue, Washington, D.C., 20036. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *General commodities, except class A and B explosives, household goods as defined by the Commission, and commodities in bulk, having a prior or subsequent movement by air, between airports located in Bexar County, Tex., on the one hand, and, on the other, points in Texas over the routes described as follows:* (1) From San Antonio, Tex., over U.S. Highway 90, to Del Rio, Tex., and return over the same route; (2) from Del Rio, Tex., over U.S. Highway 277, to Carrizo Springs, Tex., and return over the same route; (3) from Carrizo Springs, Tex., over Texas Highway 85, to Dilley, Tex., and return over the same route; (4) from Eagle Pass, Tex., over Texas Highway 76, to Moore, Tex., and return over the same route; (5) from San Antonio, Tex., over U.S. Highway 81 (and/or Interstate Highway 35), to Laredo, Tex., and return over the same route; (6) from Uvalde, Tex., over U.S. Highway 83, to McAllen, Tex., and return over the same route; (7) from San Antonio, Tex., over Texas Highway 346, to Jourdan, Tex., thence over Texas Highway 173, to Freer, Tex., and thence over Texas Highway 339, to Benavides, Tex., and return over the same route; (8) from Laredo, Tex., over Texas Highway 359, to San Diego, Tex., and return over the same route; (9) from Freer, Tex., over Texas Highway 44, to Alice, Tex., and return over the same route;

(10) from San Antonio, Tex., over Texas Highway 281, to Alice, Tex., and return over the same route, serving all intermediate points and the off-route points of Bexar, Atascosa, Medina, Uvalde, Kinney, Val Verde, Maverick, Zavala, Dimmit, Frio, La Salle, McMullen, Live Oak, Webb, Duval, Jim Wells, Zapata, Jim Hogg, and Starr Counties, Tex., for 180 days. Supporting shippers: There are 34 supporting statements attached to the application which may be examined here at the Interstate Commerce Commission, in Washington, D.C. Send protests to: James H. Berry, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 206 Manion Building, 301 Broadway, San Antonio, Tex., 78205.

No. MC 124032 (Sub-No. 2 TA), filed January 6, 1966. Applicant: REED'S FUEL COMPANY, 138 Fifth Street, Springfield, Ore. Applicant's representative: Henry Camarot, 655 No. A, Springfield, Ore. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: Lumber, from Eugene, Springfield, Cottage Grove, Culp Creek, and Vaughn, Ore., to Coos Bay and Portland, Ore., for 180 days. Supporting shippers: Western Distributors, Inc., 2606 Roosevelt Boulevard, Eugene, Ore.; Cuddeback Lumber Co., 2022 Jefferson, Eugene, Ore.; Cascadian Co., Inc., 2075 Cross Street, Eugene, Ore.; and, Bohemia Lumber Co., Inc., Culp Creek, Ore. Send protests to: A. E. Odoms, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 450 Multnomah Building, Portland, Ore., 97204.

No. MC 126899 (Sub-No. 18 TA), filed January 6, 1966. Applicant: USHER TRANSPORT, INC., 1415 South Third Street, Paducah, Ky. Applicant's representative: Louis J. Amato, Suite 703-706, McClure Building, Frankfort, Ky., 40601. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Malt beverages, in containers, from Detroit, Mich., to Bowling Green, Ky., for 180 days.* Supporting shipper: John J. Kinnarney, John J. Kinnarney Distributing Co., 501 First Street, Bowling Green, Ky. Send protests to: W. W. Garland, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 390 Federal Office Building, 167 North Main, Memphis, Tenn., 38103.

No. MC 127827 TA, filed January 6, 1966. Applicant: G. C. COONER, Jr., doing business as COONER TRUCK LINE, Box H, Calhoun City, Miss. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Furniture, new, cartoned or uncartoned, from the plant-site of Calhoun Industries, Inc., located near Calhoun City, Miss., to points in Alabama, Arkansas, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Louisiana, Maryland, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New York, North Carolina, North Dakota, Pennsylvania, Ohio, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wisconsin, with no trans-*

portation for compensation except *rejected or returned shipments*, on return. Service to be rendered under a continuing contract with Calhoun Industries, Inc., for 180 days. Supporting shipper: Calhoun Industries, Inc., Calhoun City, Miss., 38916, Mr. Robert Evans, President, 2 North Riverside Plaza, Chicago, Ill., 60606. Send protests to: Floyd A. Johnson, District Supervisor, Bureau of Operations and Compliance, Interstate Commerce Commission, 320 U.S. Post Office Building, Jackson, Miss., 39201.

By the Commission.

[SEAL] H. NELL GARSON,
Secretary.

[F.R. Doc. 66-459; Filed, Jan. 13, 1966;
8:46 a.m.]

[Notice 1284]

MOTOR CARRIER TRANSFER PROCEEDINGS

JANUARY 11, 1966.

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-68221. By order of January 10, 1966, the Transfer Board, on reconsideration, approved the transfer to Montgomery Tank Lines, Inc., Chicago, Ill., of a portion of the operating rights in Certificates Nos. MC-123639 and MC-123639 (Sub-No. 2) issued October 23, 1962, and April 4, 1962, respectively, to J. B. Montgomery, Inc., Denver, Colo., authorizing the transportation of various commodities of a general commodity nature, when moving in bulk, in tank or hopper type vehicles, between points in Illinois, Connecticut, Colorado, Delaware, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and the District of Columbia, subject to certain restrictions. Charles W. Singer, 33 North La Salle Street, Chicago, Ill., 60602, attorney for applicants.

No. MC-FC-68363. By order of January 10, 1966, the Transfer Board approved the transfer to Flo-Pro Corp., Inc., Rural Route No. 2, Horton, Kans., of the operating rights in Certificate No. MC-119137 (Sub-No. 1) issued January 21, 1963, to Norbert A. Haverkamp, Rural Route No. 2, Horton, Kans., authorizing the transportation, over irregular routes, of: Mixed liquid fertilizers, in bulk, in tank trucks, from Hiawatha, Kans., to points in Missouri, Nebraska, and Iowa,

with no transportation for compensation on return except as otherwise authorized.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-460; Filed, Jan. 13, 1966;
8:46 a.m.]

FLOYD A. MECHLING

Statement of Changes in Financial Interests

Pursuant to subsection 302(c), Part III, Executive Order 10647 (20 F.R. 8769) "Providing for the Appointment of Certain Persons under the Defense Production Act of 1950, as amended," I hereby furnish for filing with the Office of the Federal Register for publication in the FEDERAL REGISTER the following information showing any changes in my financial interests and business connections as F.R. 996; 22 F.R. 6584; 23 F.R. 1062; 23 F.R. 6730; 24 F.R. 552; 24 F.R. 6251; 24 F.R. 9699; 25 F.R. 109; 26 F.R. 1693; 26 F.R. 6463; 27 F.R. 684; 27 F.R. 6409; 28 F.R. 1093; 28 F.R. 7060; 29 F.R. 1861; 29 F.R. 9813; 30 F.R. 769; and 30 F.R. 8765) for the period from July 26, 1965, through January 25, 1966.

No change.

Dated: December 17, 1965.

F. A. MECHLING.

[F.R. Doc. 66-447; Filed, Jan. 13, 1966;
8:45 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

JANUARY 11, 1966.

Protests to the granting of an application must be prepared in accordance with Rule 1.40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 40229—*Joint motor-rail rates—Middlewest Motor Freight*. Filed by Middlewest Motor Freight Bureau, agent (No. 364), for interested carriers. Rates on property moving on class and commodity rates over joint routes of applicant rail and motor carriers, between points in central States territory, on the one hand, and points in middlewest and southwestern territories, on the other.

Grounds for relief—Motortruck competition.

Tariff—Supplement 60 to Middlewest Motor Freight Bureau, agent, tariff MF-ICC 417.

FSA No. 40230—*Liquid synthetic plastics from Houston, Tex.* Filed by Southwestern Freight Bureau, agent (No. B-8808), for interested rail carriers. Rates on liquid synthetic plastics, in tank carloads, from Houston, Tex., to Grand Junction, Tenn.

Grounds for relief—Market competition.

Tariff—Supplement 109 to Southwestern Freight Bureau, agent, tariff ICC 4534.

FSA No. 40231—*Returned shipments—corn or sorghum grain sugar to Texas points*. Filed by Southwestern Freight Bureau, agent (No. B-8803), for interested rail carriers. Rates on corn or sorghum grain sugar, in carloads, from original destinations in Alabama and Florida, to original points of shipment in Texas.

Grounds for relief—Carrier competition.

Tariff—Supplement 108 to Southwestern Freight Bureau, agent, tariff ICC 4534.

FSA No. 40232—*Salt to points in Illinois Freight Association territory*. Filed by Southwestern Freight Bureau, agent (No. B-8804), for interested rail carriers. Rates on common salt (sodium chloride), evaporated or rock, plain or iodized, phosphated or calcium phosphated, with or without (not exceeding 15 percent) ingredients other than salt, in carloads, from specified points in Louisiana, New Mexico, and Texas, to points in Illinois Freight Association territory.

Grounds for relief—Market competition.

Tariff—Supplement 53 to Southwestern Freight Bureau, agent, tariff ICC 4609.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-462; Filed, Jan. 13, 1966;
8:46 a.m.]

[Docket No. M-20012]

INCREASED LTL CLASS AND COMMODITY RATES, PACIFIC NORTHWEST

Investigation and Suspension

It appearing, that by order of the Commission, Board of Suspension, dated October 6, 1965, an investigation was instituted into and concerning the lawfulness of the rates, charges, and regulations contained in schedules described in said order;

It further appearing, that under section 216(g) of the Interstate Commerce Act respondents have the burden of proof to show that the proposed changed rates, charges, and regulations are just and reasonable;

And it further appearing, that in order that consideration be given to all factors which may bear upon a proper determination of the issues, including the question whether the resulting revenues would be just and reasonable, it is deemed appropriate in the public interest and pursuant to section 216(l) of the act that the information specified below be included in the record to be developed in this proceeding;

And good cause appearing therefor: *It is ordered*, That respondents be, and they are hereby, notified and required to submit information and supporting data which shall include, among other things, actual cost and revenue data (including anticipated revenue to show the effect of the proposed increase or decrease) and operating ratios specifically related to

the traffic and territories involved, over-all operating ratios, detailed data to establish the representative nature of the carriers used, and detailed data to disclose carrier-affiliated financial and operating relationships and transactions, as generally indicated by the admonitions in General Increase—Middle Atlantic and New England Territories, 319 ICC 168, and in General Increases—Transcontinental, 319 ICC 792, and in addition all pertinent evidence and supporting data for the individual representative carriers regarding, but not limited to, the following as they relate to their over-all operations and to those specifically relating to the traffic and territories involved:

(1) Ratios of net income before and after income taxes to net worth (assets minus liabilities),

(2) Ratio of net carrier operating income to total carrier operating revenues,

(3) Ratios of net income before and after income taxes to total carrier operating revenues,

(4) Ratio of net carrier operating income to net book value of carrier operating property plus net working capital (current assets minus current liabilities),

(5) Ratios of net income before and after income taxes to net book value of carrier operating property plus net working capital (current assets minus current liabilities).

It is further ordered, That the detailed data required to be submitted by respondents regarding carrier-affiliate financial and operating relationships and transactions shall include, with respect to any and all individuals, partnerships, and corporations affiliated with respondents, the following information:

1. Name of each affiliate from which respondent, during the year 1964, acquired, leased or purchased lands, buildings, equipment, materials, supplies, parts, tires, tubes, gasoline, oil, or other property or services used by respondent in its operations as a motor common carrier.

2. Kinds of property or service which each affiliate supplies to respondent.

3. Basis of charges for property or services supplied by affiliate to respondent, including the base and rate for rental charges.

4. Total charges by each affiliate to respondent during year 1964 for:

- Lease of vehicles.
- Lease of terminals.
- Lease of other property.
- Pickup and delivery of shipments.
- Repair and servicing of vehicles.

f. Management, accounting, financial, legal, purchasing, or traffic solicitation services.

g. Property sold by affiliate to respondent.

5. If the affiliate derives revenue from the sale or lease of property or from services through transactions with persons other than respondent, indicate the percentage of the revenue of such business to the total revenue of the affiliate in the year 1964.

6. A copy of the income statements of each affiliate for the year 1964 and the

latest period of 1965 for which an income statement is available.

7. A statement listing the amounts of wages, salaries, bonuses, and other compensation paid by the affiliate in 1964 to any individual who is also a respondent or an officer, director or substantial stockholder of a respondent; or the wife or close relative of a respondent or officer, director or substantial stockholder of a respondent.

8. The term "affiliate" as used in this order means:

a. Any individual who is also a respondent; an officer, director, or substantial stockholder of a respondent; or the wife or close relative either of a respondent, or of an officer, director, or substantial stockholder of a respondent.

b. Any partnership in which one of the partners is a respondent; an officer, director, or substantial stockholder of a respondent; or the wife or close relative either of a respondent or of an officer, director, or substantial stockholder of a respondent.

c. Any corporation whose stock is wholly or partly owned by a respondent; by an officer, director, or substantial stockholder of a respondent; or by the wife or close relative either of a respondent or of an officer, director, or substantial stockholder of a respondent.

d. Any corporation which exercises control over the operations or finances of respondent.

It is further ordered, That the traffic studies to be submitted shall be based upon actual operations conducted during identical periods of time for each carrier, and the actual cost studies shall be based upon the operations of the same carriers as used in the traffic studies; and that the periods of time selected for, as well as the motor carriers used in, such cost and traffic studies shall be shown to be representative and their selection statistically sound;

It is further ordered, That all of the required data specified in this order shall be based upon and reflect at least the most recent annual reporting period;

It is further ordered, That the detailed information called for by this order with respect to carrier-affiliates shall be in writing and shall be verified by a person

or persons having knowledge thereof, and a verified original and two additional copies, shall be mailed to the Secretary, Interstate Commerce Commission, Washington, D.C., 20423, in sufficient time to reach the Commission on or before February 28, 1966; and, in addition, that this information is to be introduced into evidence by respondents but may be in summary form, if so desired, cf. Surcharge on Small Shipments Within Central States, 63 M.C.C. 157;

It is further ordered, That:

(1) The respondents and interveners in support thereof shall serve on the parties of record on or before February 28, 1966, their direct evidence in the form of verified statements (with appendices, if any); and that they also, at the same time, shall mail two copies to this Commission, one copy to the Hearing Examiner hereinafter named, together with certificates of service in accordance with Rule 1.22(a) of the general rules of practice; and the executed original shall be tendered at the hearing;

(2) The protestants and interveners in support thereof shall serve on the parties of record on or before March 21, 1966, their evidence in the form of verified statements (with appendices, if any); and that they shall comply also with the provisions in the preceding paragraph regarding the mailing and service of statements;

(3) This proceeding be, and it is hereby, referred to Hearing Examiner William J. Sweeney for hearing on March 28, 1966, at 9:30 o'clock a.m., U.S. standard time at the Olympic Hotel, 4th and Seneca streets, Seattle, Wash., for the purpose of receipt in evidence of the verified statements, cross-examination thereon and the introduction of rebuttal evidence, and to permit the Hearing Examiner to close the record;

(4) Failure of any witness to appear at the hearing for cross-examination shall be considered good cause for the rejection of his verified statement (with appendices, if any);

(5) All underlying data used in the preparation of evidence set forth in the verified statements (with appendices, if any) shall be made available in the office

of the party serving such verified matter during usual office hours for inspection by any party of record desiring to do so; and that underlying data shall be made available also at the hearing, but only if and to the extent specifically requested in writing and required by any party for the purpose of cross-examination;

(6) Anyone desiring to become a party of record and to participate in the hearing, and receive and/or serve copies of the evidence to be filed in accordance with the procedure set forth above, must notify the Commission, in writing, on or before February 14, 1966, a copy of such notification to be filed simultaneously with the Hearing Examiner. As soon as practicable after such date a service list of all parties of record will be prepared and served by the Commission.

(7) Evidence presented which fails to conform to the above-outlined procedure will not become a part of the record in this proceeding.

It is further ordered, That a copy of this order be delivered to the Director, Office of the Federal Register, for publication in the FEDERAL REGISTER as notice to all interested persons.

And it is further ordered, That, to avoid future unnecessary service upon those respondents who, although participating carriers in the tariff schedules which are the subject of investigation herein, are not actively interested in the outcome of such investigation, subsequent service on respondents herein of notices and orders of the Commission will be limited to those respondents who:

(1) Have been identified by name in the order or orders of investigation herein.

(2) Specifically make written request to the Secretary of the Commission to be included on the service list, or

(3) Have appeared at a hearing.

Dated at Washington, D.C., this 5th day of January A.D. 1966.

By the Commission, Commissioner Freas.

[SEAL] . H. NEIL GARSON,
Secretary.

[F.R. Doc. 66-461; Filed, Jan. 13, 1966; 8:46 a.m.]

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FEDERAL REGISTER

VOLUME 31 • NUMBER 9

Friday, January 14, 1966 • Washington, D.C.

PART II

Department of Health, Education,
and Welfare

Vocational Rehabilitation
Administration

Revision of
Regulations



Title 45—PUBLIC WELFARE

Chapter IV—Vocational Rehabilitation Administration, Department of Health, Education, and Welfare

REVISION OF CHAPTER

Chapter IV is revised to include new regulations to implement the Vocational Rehabilitation Act Amendments of 1965 (Public Law 89-333). Some changes are also made in existing regulations to reflect current program activities and emphases.

For convenience, Part 401 now covers only grants for State vocational rehabilitation programs. Part 402 covers the newly authorized project grants and assistance for workshops and rehabilitation facilities. Part 403 covers research and training activities (formerly included in Part 401). Part 404, dealing with the vending stand program for the blind, sets forth without change the material formerly contained in Part 403. (The material formerly contained in Part 404 is now included in context at various places in the chapter.) Part 405 contains the recently-published regulations on correctional rehabilitation study. Part 406 deals with the newly authorized National Commission on Architectural Barriers to Rehabilitation of the Handicapped.

The regulations are designed with a view toward recognizing maximum authority and responsibility of the States in carrying out their own programs, while at the same time providing reasonable assurance that the objectives of the Vocational Rehabilitation Act will be achieved. The regulations also seek to assure effective coordination of the activities under the various grant programs and other forms of assistance which are authorized. Particular emphasis is placed on close working relationships between the State vocational rehabilitation programs and the workshops and rehabilitation facilities which serve the handicapped.

This revision is effective on publication in the **FEDERAL REGISTER**. Except as specifically provided otherwise in Part 401, required changes in State plans for vocational rehabilitation services must be made no later than July 1, 1966. Prior to that date, a State plan which meets the requirements of the regulations as in effect prior to this revision will be accepted. Federal financial participation will be based upon the approved State plan.

Federal financial assistance extended under this chapter is subject to the regulations in 45 CFR Part 80, issued by the Secretary of Health, Education, and Welfare, and approved by the President, to effectuate the provisions of section 601 of the Civil Rights Act of 1964 (42 U.S.C. sec. 2000d).

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- 401.146 Federal financial participation.
- 401.147 Payments.

AUTHORITY: The provisions of this Part 401 issued under sec. 7(b), 68 Stat. 658, 29 U.S.C. 37(b). Interpret and apply the Vocational Rehabilitation Act, as amended, 29 U.S.C. ch. 4, and Public Law 89-333, 79 Stat. 1282. Additional authority is cited in parentheses following the sections affected.

Subpart A—Definitions

§ 401.1 Terms.

Unless otherwise indicated in the regulations in this part, the terms below are defined as follows:

- (a) "Act" means the Vocational Rehabilitation Act, as amended (29 U.S.C. ch. 4).
- (b) "Blind" means persons who are blind within the meaning of the law relating to vocational rehabilitation in each State.
- (c) "Commissioner" means the Commissioner of Vocational Rehabilitation in the Department of Health, Education, and Welfare.
- (d) "Demonstration" means (1) a pilot study or experimental attempt to provide more and better vocational rehabilitation services than are available, for the purpose of testing or establishing standards or methods of service that are practicable and effective for general application in the vocational rehabilitation program; or (2) provision of a special type of rehabilitation service in order to test its value in vocational rehabilitation and to provide information on costs, methods of administration, methods of providing services, or rehabilitation techniques; or (3) provision of vocational rehabilitation services to handicapped individuals in a specific disability category not adequately served.
- (e) "Eligible" or "eligibility," when used in relation to an individual's qualification for vocational rehabilitation services, refers to a certification that (1) the handicapped individual has a physical or mental disability which constitutes a substantial handicap to employment and (2) vocational rehabilitation services may reasonably be expected to render him fit to engage in a gainful occupation.
- (f) "Establishment of a rehabilitation facility" means (1) the expansion, remodeling, or alteration of existing buildings, necessary to adapt or to increase the effectiveness of such buildings for rehabilitation facility purposes; (2) the acquisition of initial equipment for such purposes; or (3) the initial staffing of a

rehabilitation facility, for a period not exceeding 1 year.

(g) "Establishment of a workshop" means the expansion, remodeling, or alteration of existing buildings, necessary to adapt such buildings to workshop purposes or to increase the employment opportunities in workshops, and the acquisition of initial equipment necessary for new workshops or to increase the employment opportunities in workshops.

(h) "Gainful occupation" includes employment in the competitive labor market; practice of a profession; self-employment; homemaking; farm or family work (including work for which payment is in kind rather than in cash); sheltered employment; and home industries or other gainful homebound work.

(i) "Handicapped individual" means any individual who has a physical or mental disability which constitutes a substantial handicap to employment, but which is of such a nature that vocational rehabilitation services (paragraph (x) (1) of this section) may reasonably be expected to render him fit to engage in a gainful occupation, including a gainful occupation which is more consistent with his capacities and abilities.

"Handicapped individual" also means any individual who has a physical or mental disability which constitutes a substantial handicap to employment for whom vocational rehabilitation services (paragraph (x) (2) of this section) are necessary for purposes of the determination of rehabilitation potential.

(j) "Local rehabilitation agency" means the public agency of a political subdivision of a State which has sole responsibility for administering the vocational rehabilitation program in the locality, under the supervision of the State agency.

(k) "Maintenance" means payments to cover the handicapped individual's basic living expenses, such as food, shelter, clothing, health maintenance, and other subsistence expenses essential to determination of the individual's rehabilitation potential or to achievement of his vocational rehabilitation objective.

(l) "Management services and supervision" for small business enterprises includes inspection, quality control, consultation, accounting, regulating, in-service training, and other related services provided on a systematic basis to support and improve small business enterprises operated by blind or other severely handicapped persons under a State agency's small business enterprise program. "Management services and supervision" does not include those services or costs which pertain to the operation of the individual business enterprise, such as employment of substitute workers, rent, advertising and other operating costs.

(m) "Nonprofit," when used with respect to a rehabilitation facility or a workshop, means a rehabilitation facility or a workshop, respectively, owned and operated by a corporation or association, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individ-

ual, and the income of which is exempt from taxation under section 501(c) (3) of the Internal Revenue Code of 1954.

(n) "Occupational license" means any license, permit, or other written authority required by a State, city, or other governmental unit to be obtained in order to enter an occupation.

(o) "Physical or mental disability" means a physical or mental condition which materially limits, contributes to limiting or, if not corrected, will probably result in limiting an individual's activities or functioning. It includes behavioral disorders characterized by deviant social behavior or impaired ability to carry out normal relationships with family and community which may result from vocational, educational, cultural, social, environmental, or other factors.

(p) "Physical restoration services" means those medical and medically related services which are necessary to correct or substantially modify within a reasonable period of time a physical or mental condition which is stable or slowly progressive, and includes: (1) Medical or surgical treatment by general practitioners or medical specialists; (2) psychiatric treatment; (3) dentistry; (4) nursing services; (5) hospitalization (either inpatient or outpatient care) and clinic services; (6) convalescent, nursing or rest home care; (7) drugs and supplies; (8) prosthetic devices essential to obtaining or retaining employment; (9) physical therapy; (10) occupational therapy; (11) medically directed speech or hearing therapy; (12) physical rehabilitation in a rehabilitation facility; (13) treatment of medical complications and emergencies, either acute or chronic, which are associated with or arise out of the provision of physical restoration services, or are inherent in the condition under treatment; and (14) other medical or medically related rehabilitation services. The provision that the condition is stable or slowly progressive does not apply when physical restoration services are provided in order to determine the rehabilitation potential.

(q) "Prosthetic device" means any appliance designed to support or take the place of a part of the body, or to increase the acuity of a sensory organ.

(r) "Rehabilitation facility" means a facility, operated for the primary purposes of assisting in the rehabilitation of handicapped individuals, (1) which provides one or more of the following types of services: Testing, fitting, or training in the use of prosthetic devices; prevocational or conditioning therapy; physical or occupational therapy; adjustment training; evaluation, treatment, or control of special disabilities; or (2) through which is provided an integrated program of medical, psychological, social and vocational evaluation and services, under competent professional supervision: *Provided*, That the major portion of such evaluation and services is furnished within the facility, and that all medical and related health services are prescribed by, or are under the formal supervision of, persons licensed to practice medicine or surgery in the State.

(s) "Secretary" means the Secretary of Health, Education, and Welfare.

(t) "Small business enterprise" means a small business operated by blind or other severely handicapped persons under the management and supervision of the State agency or its nominee. Such businesses include only those selling, manufacturing, processing, servicing, agricultural, and other activities which are suitable and practical for the most effective utilization of the skills and aptitudes of blind or other severely handicapped persons and provide substantial gainful employment or self-employment commensurate with the time devoted by the operator or operators to the business, the cost of establishing the business and other factors of an economic nature.

(u) "State" means the several States, the District of Columbia, the Virgin Islands, Puerto Rico, and Guam.

(v) "State agency" or "State vocational rehabilitation agency" means the sole State agency designated to administer (or supervise local administration of) the State plan for vocational rehabilitation services. The term includes the State agency for the blind, if designated as the sole State agency with respect to that part of the plan relating to the vocational rehabilitation of the blind.

(w) "Substantial handicap to employment" means that a physical or mental disability (in the light of attendant medical, psychological, vocational, educational, cultural, social, or environmental factors) impedes an individual's occupational performance, by preventing his obtaining, retaining, or preparing for a gainful occupation consistent with his capacities and abilities.

(x) (1) "Vocational rehabilitation services" means any goods and services necessary to render a handicapped individual fit to engage in a gainful occupation, including (i) diagnostic and related services (including transportation) required for the determination of eligibility for and the nature and scope of services to be provided; (ii) counseling; (iii) physical restoration services; (iv) training; (v) books and training materials (including tools); (vi) maintenance; (vii) placement; (viii) tools, equipment, initial stocks and supplies, including equipment and initial stocks and supplies for vending stands; (ix) management services and supervision provided by the State agency and acquisition of vending stands or other equipment and initial stocks and supplies, for small business enterprises, operated under the supervision of the State agency, by the severely handicapped; (x) transportation; (xi) occupational licenses; (xii) reader services for the blind; (xiii) interpreter services for the deaf; and (xiv) other goods and services necessary to render a handicapped individual fit to engage in a gainful occupation.

(2) "Vocational rehabilitation services" (for purposes of the determination of rehabilitation potential) also means any goods or services, including the items specified in subparagraph (1) (1)

through (vi), (x), (xii), (xiii) and (xiv) of this paragraph, which are provided to an individual who has a physical or mental disability which constitutes a substantial handicap to employment, during the period specified by the Commissioner (§ 401.21) to be necessary for, and which are provided for the purpose of ascertaining whether it may reasonably be expected that such individual will be rendered fit to engage in a gainful occupation through the provision of goods and services described in subparagraph (1) of this paragraph.

(3) The term also covers the establishment of workshops for the severely handicapped and the establishment of rehabilitation facilities.

(y) "Workshop" means a place where any manufacture or handwork is carried on, and which is operated for the primary purpose of providing gainful employment to the severely handicapped (1) as an interim step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market; or (2) during such time as employment opportunities for them in the competitive labor market do not exist.

Subpart B—State Plans for Vocational Rehabilitation

STATE PLAN CONTENT: ADMINISTRATION

§ 401.2 The State plan: general requirements.

(a) *Purpose.* A basic condition to the certification of Federal funds to a State for vocational rehabilitation services is a State plan found to meet Federal requirements. This plan shall constitute a description of the State's vocational rehabilitation program. The State plan shall meet the requirements as to content hereinafter stated. It shall provide for financial participation by the State, and shall provide that it will be in effect in all political subdivisions of the State except as specifically provided in § 401.9. The Commissioner shall approve any plan meeting the requirements of the act and of this part.

(b) *Form.* The general form and content of the State plans are set forth in the State Plan Guide which is distributed to all State agencies administering vocational rehabilitation programs.

(c) *Amendment.* The plan shall provide that it will be amended whenever necessary to reflect a material change in any phase of State law, organization, policy, or agency operations and that such amendments will be submitted to the Vocational Rehabilitation Administration before it is put into effect, or within a reasonable time thereafter.

(d) *Separate part relating to rehabilitation of the blind.* If, as hereinafter provided for, a State agency for the blind administers or supervises the administration of that part of the State plan relating to the rehabilitation of the blind, such part of the State plan shall meet all requirements as to submission, amendment, and content prescribed by the act and this part, as though it were a separate State plan.

§ 401.3 Approval of State plans and amendments.

Both the original plan and all amendments thereto shall be submitted to the regional representative of the Vocational Rehabilitation Administration.

(a) *New or substantially revised plans.* New or substantially revised plans are reviewed by the regional representative who consults with the State agency regarding any suggested revisions. The regional representative forwards the plan to the central office of the Vocational Rehabilitation Administration where the appropriate divisions review and recommend the action to be taken. The Assistant Commissioner, Program Services, determines the action to be taken and advises the State.

(b) *Plan amendments.* An amendment to a plan is reviewed by the regional representative who determines whether it is approvable. If approvable, the regional representative incorporates it into the approved State plan and advises the State. If he considers an amendment not to be approvable and is unable to secure necessary changes by the State, he submits the amendment to the central office of the Vocational Rehabilitation Administration for appropriate action.

§ 401.4 Withholding of funds.

(a) *When withheld.* When after reasonable notice and opportunity for hearing to the State agency it is found that (1) the plan has been so changed that it no longer complies with the requirements of section 5(a) of the Vocational Rehabilitation Act, or (2) in the administration of the plan there is a failure to comply substantially with any such provision, further payments under section 2 or 3 may be withheld or limited as provided by section 5(c) of the Vocational Rehabilitation Act. The State agency is notified of the action taken.

(b) *Judicial review.* The decision to withhold payments described in paragraph (a) of this section may be appealed to the United States district court for the district in which the capital of the State is located. The court will review the action on the record in accordance with the provisions of the Administrative Procedure Act.

(c) *Informal discussions.* Hearings described in paragraph (a) of this section are generally not called until after reasonable effort has been made by regional and central office representatives to resolve the questions involved by conference and discussion with State officials. Formal notification of the date and place of a hearing does not foreclose further negotiations with State officials.

§ 401.5 State agency for administration.

(a) *Designation of sole State agency.* The State plan shall designate a sole State agency to administer the State plan for vocational rehabilitation services in the State or to supervise its administration in a political subdivision of the State by a sole local agency of such political subdivision. This agency shall be one of the agencies specified in para-

graph (b) of this section, except that the State agency for the blind, as specified in paragraph (c) of this section, may be designated as the sole State agency with respect to that part of the program relating to the vocational rehabilitation of the blind.

(b) *Designated State agency.* The designated State agency, except for a designated State agency for the blind as specified in paragraph (c) of this section, shall be:

(1) A State agency primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of disabled individuals; such agency must be an independent State commission, board, or other agency whose major function is vocational rehabilitation, or vocational and other rehabilitation, of disabled individuals, with authority, subject to the supervision which derives from the office of the Governor, to define the scope of the program within the provisions of State and Federal law, and to direct its administration without external administrative controls.

(2) The State agency administering or supervising the administration of education or vocational education in the State; or

(3) A State agency which includes at least two other major organizational units each of which administers one or more of the major public education, public health, public welfare, or labor programs of the State.

(c) *Designated State agency for the blind.* Where the State commission for the blind, or other agency which provides assistance or services to the adult blind, is authorized under State law to administer or supervise the administration of vocational rehabilitation services to the blind, such commission or agency may be designated as the sole State agency to administer the part of the plan under which vocational rehabilitation services are provided for the blind or to supervise the administration of such part in a political subdivision of the State by a sole local agency of such political subdivision.

(d) *Authority.* The State plan shall set forth the authority under State law for the administration or supervision of the administration of the program by the State agency, and the legal basis for administration by local rehabilitation agencies if applicable. In this connection, copies of all laws and interpretations thereof by appropriate State officials, directly pertinent to the administration or supervision of the vocational rehabilitation program, shall be submitted as a part of the plan.

(e) *Responsibility for administration.* The State plan shall provide that all decisions affecting the eligibility of clients, the determination of rehabilitation potential or the nature and scope of vocational rehabilitation services to be provided will be made by the State agency, or by a local rehabilitation agency under its supervision, and that this responsibility will not be delegated to any other agency or individual.

§ 401.6 Organization for administration.

(a) *Organization.* The State plan shall describe the organizational structure of the State agency, including descriptions of organizational units, the functions assigned to each, and the relationships among units in the vocational rehabilitation program. The organizational structure shall provide for all the vocational rehabilitation functions for which the State agency is responsible, for clear lines of administrative and supervisory authority, and shall be suited to the size of the vocational rehabilitation program and the geographic areas in which the program must operate. The State plan shall also describe methods of administration which will provide for the coordination and integration of activities, adequate controls over operations, channels for the development and interpretation of policies and standards, and effective supervision of staff under the vocational rehabilitation program. The organizational structure and the methods of administration shall facilitate program operations, and shall insure the provision of all necessary vocational rehabilitation services available under the State plan to rehabilitation clients, including services necessary to determine rehabilitation potential.

(b) *Organizational unit.* Where the designated State agency is of the type specified in § 401.5(b) (2) or (3), or § 401.5(c), the State plan shall provide that the agency (or each agency, where two such agencies are designated) shall include a vocational rehabilitation organizational unit which: (1) Is primarily concerned with vocational rehabilitation, or vocational and other rehabilitation, of disabled individuals, and is responsible for the vocational rehabilitation program of such State agency, (2) has a full-time administrator in accordance with § 401.7, and (3) has a staff employed on such rehabilitation work of such organizational unit all or substantially all of whom are employed full time on such work.

(c) *Location of organizational unit.* The State plan shall provide that the organizational unit, specified in paragraph (b) of this section, shall be located at an organizational level and shall have an organizational status within the State agency comparable to that of other major organizational units of such agency or, in the case of an agency described in § 401.5(b) (2), the unit shall be so located and have such status or the administrator of such unit shall be the executive officer of such State agency. In evaluating the comparability of the organizational level and the organizational status of the unit, the Commissioner will give consideration to such factors as the directness of the reporting line from the administrator of the organizational unit for rehabilitation to the chief officer of the designated State agency; the title, status and grade of the administrator of the organizational unit for rehabilitation as compared with those of the heads of other organizational units of the State agency; the extent to which

the administrator of the organizational unit for rehabilitation can determine the scope and policies of the vocational rehabilitation program; and the kind and degree of authority delegated to him for the administration of the vocational rehabilitation program.

(d) *Applicability to a single State agency.* In the case of a State which has not designated a separate State agency for the blind as provided for in § 401.5, such State may, if it so desires, assign responsibility for the part of the plan under which vocational rehabilitation services are provided for the blind to one organizational unit of the designated sole State agency and assign responsibility for the rest of the plan to another organizational unit of such agency, with the provisions of paragraphs (b) and (c) of this section applying separately to each of such units.

(e) *Effective date.* The State plan must comply with the provisions of this section no later than July 1, 1967. Prior to that date, a State plan which meets the requirements of the Vocational Rehabilitation Act as in effect prior to the Vocational Rehabilitation Act Amendments of 1965 will be accepted.

§ 401.7 State administrator.

The State plan shall provide that there shall be a State administrator or other named official with primary responsibility for the direction of the administration of the vocational rehabilitation program of the State agency, or the vocational and other rehabilitation of disabled individuals, and that such State administrator shall be required to devote his full time and efforts to the vocational rehabilitation program, or the vocational and other rehabilitation of disabled individuals, with the following exception: Upon the request of a State agency, the Commissioner may approve arrangements whereby the State administrator is also responsible for the direction of other programs primarily concerned with handicapped persons, if he finds in view of all the circumstances in the particular case that such arrangements will not impair the effective administration of the State plan. This requirement applies to the chief officer of a State agency of the type specified in § 401.5(b) (1) and to the administrator of the organizational unit for rehabilitation in a State agency of the type specified in § 401.5 (b) (2), (b) (3) or (c).

§ 401.8 Local administration.

The State plan may provide for administration of the program through a sole local rehabilitation agency of a political subdivision of the State, under the supervision of the State agency and in compliance with Statewide standards established by the State agency (except to the extent that there is a waiver of State-widness, § 401.9). If the plan provides for local administration, the local rehabilitation agency shall be responsible for the administration of all aspects of the program within the political subdivision which it serves: *Provided, however,* That a separate local rehabilitation agency serving the blind may administer

that part of the plan relating to the rehabilitation of the blind, under the supervision of the State agency for the blind. If the State plan provides for the administration of the program by local rehabilitation agencies, the State plan shall set forth the standards governing their organization and methods of administration, and shall describe the nature and extent of the supervision exercised by the State agency in order to assure observance in the application of State standards and the effective achievement of the objectives of the State plan throughout the State except to the extent that the requirement for Statewide observance is waived in accordance with § 401.9.

§ 401.9 Waiver of Statewide observance.

If the State agency desires to carry out activities in one or more political subdivisions through local financing to promote the vocational rehabilitation of substantially larger numbers of handicapped individuals or the vocational rehabilitation of individuals with particular types of disabilities, the State plan shall (a) describe the types of activities which will be carried out for these purposes; (b) provide that the State agency will obtain a full written description of any such activity to be carried out in a particular political subdivision and will obtain written assurance from the political subdivision that the non-Federal share of funds is available to the State agency; (c) provide that the State agency will require that its approval be given to each individual proposal before the proposal is put into effect in a political subdivision; (d) provide that the State agency will furnish such information and reports as the Commissioner may from time to time require to ascertain whether the activities are within the purposes of this section; (e) provide that the State agency will have sole responsibility for administration (or supervision if the vocational rehabilitation program is administered by local rehabilitation agencies) of the program in the particular local political subdivision in accordance with § 401.5; and (f) provide that all requirements of the State plan shall apply to such activities, except the requirement that the program shall be in effect in all political subdivisions of the State, and except that the provisions of § 401.70 may be applicable for Federal financial participation in expenditures for carrying out such activities.

§ 401.10 Standards of personnel administration.

(a) The State plan shall set forth the State agency's standards of personnel administration applicable to its own employees and those of local rehabilitation agencies operating under its supervision. The State plan shall specify that rates of compensation and minimum qualifications will be established for each class of position which are commensurate with the duties and responsibilities of that class; and shall set forth the policies of the State agency with respect to the selection, appointment, promotion, and

tenure of qualified personnel, including its policies against discrimination on the basis of sex, race, creed, color, or national origin.

(b) The State plan shall provide for the maintenance of such written personnel policies, records, and other information as are necessary to permit an evaluation of the operations of the system of personnel administration in relation to the standards of the State agency.

(c) Where personnel administration is conducted under a State merit system approved by the Department of Health, Education, and Welfare (or a constituent unit thereof) as meeting the "Standards for a Merit System of Personnel Administration," Part 70 of this title, the State plan may make reference to such fact, and the information required above with respect to "Standards of personnel administration" need not be submitted, except that the responsibility for the appointment of personnel shall be described.

(d) The Commissioner shall exercise no authority with respect to the selection, method of selection, tenure of office, or compensation of any individual employed in accordance with the provisions of the approved State plan.

§ 401.11 Medical consultation.

The State plan shall provide for and describe the arrangements made to secure adequate medical consultation and to assure the availability of medical consultative services of high quality on all medical aspects of the vocational rehabilitation program, as needed in all State, district, or local offices of the agency.

§ 401.12 State agency facility staff.

The State plan shall provide for adequate staff to carry out the functions of the State agency pertaining to workshops and rehabilitation facilities in such areas as: (a) The setting of standards for workshops and rehabilitation facilities utilized in providing services to eligible individuals under the State plan; (b) the effective utilization of existing workshops and rehabilitation facilities in the rehabilitation process; (c) the establishment of workshops and rehabilitation facilities under §§ 401.45 and 401.46, respectively; (d) the functions of the State agency in the administration of grants and services for workshops and rehabilitation facilities under this part and under Part 402 of this chapter; and (e) other activities under the State plan involving workshops and rehabilitation facilities.

§ 401.13 Staff development.

The State plan shall provide for a program of staff development in order to improve the operation of the State vocational rehabilitation program and to promote the provision of a high quality of vocational rehabilitation services to increasing numbers of handicapped individuals. The State plan shall describe the scope of the training program which shall include as a minimum: (a) A systematic approach to the determination

of training needs, periodic reassessment of these needs and a system for evaluating the effectiveness of the training activities provided; (b) an orientation program for new staff; and (c) a plan for continuing training opportunities for all classes of positions, held under expert leadership at suitable intervals. If the staff development program includes leaves of absence for institutional or other organized training such as full-time study, released time or work-study, or worker-in-training programs, the State plan shall specify the policies governing the granting of such leave. The State plan shall provide for adequate staff to direct the staff development program.

§ 401.14 Political activity.

The State plan shall contain provisions prohibiting employees engaged in the day-to-day administration and operation of the program from engaging in political activity. Such an employee shall, of course, have the right to express his views as a citizen and to cast his vote.

§ 401.15 Fiscal administration.

The State plan shall set forth the policies and methods pertinent to the fiscal administration and control of the vocational rehabilitation program, including sources of funds, incurrence and payment of obligations, disbursements, accounting, and auditing. The State plan shall provide for the maintenance by the State agency (or, where applicable, by the local rehabilitation agency) of such accounts and supporting documents as will serve to permit an accurate and expeditious determination to be made at any time of the status of the Federal grants, including the disposition of all moneys received and the nature and amount of all charges claimed to lie against the respective Federal authorization.

§ 401.16 Custody of funds.

The State plan shall designate the State official who will receive and provide for the custody of all funds paid to the State under the act, subject to requisition or disbursement by the State agency.

§ 401.17 Reports.

(a) The State plan shall provide that the State agency will make such reports in such form and containing such information as the Commissioner may reasonably require, and will comply with such provisions as he may find necessary to assure the correctness and verification of such reports. This provision applies to reports in all areas of program operation and administration and to various methods of reporting, including written and oral reports, and inspection and review of fiscal, statistical, casework, and other records and operations.

(b) From time to time members of the staff of the Vocational Rehabilitation Administration review, with the States' cooperation, administrative, fiscal and program methods and practices and make constructive suggestions for the improvement of such methods and practices.

§ 401.18 Cooperation with other agencies.

(a) The State plan shall provide that the State agency will establish and maintain cooperative working relationships with the Bureau of Employees' Compensation of the Department of Labor, the Social Security Administration of the Department of Health, Education, and Welfare, the State agencies responsible for the programs of public assistance and workmen's compensation and the system of public employment offices. The basis for the cooperative working arrangement with the system of public employment offices shall be a written agreement which shall provide, among other things, for reciprocal referral services, exchange of reports of service, joint service programs, continuous liaison and maximum utilization of the job placement and employment counseling services and other services and facilities of the public employment offices.

(b) The State plan shall further provide that the State agency will establish and maintain working relationships with other public and private agencies and institutions, such as crippled children's agencies, Veterans Administration facilities, hospitals, health and mental health departments, State and Federal agencies administering wage and hour laws applicable to workshops, State and other agencies administering special education, economic opportunity and manpower development and training programs, the State Selective Service System and voluntary social and health agencies furnishing services relating to vocational rehabilitation, so as to assure maximum utilization on a coordinated basis of the services which all agencies in the State have to offer for the vocational rehabilitation of handicapped individuals.

(c) Where there is a separate State agency for the blind, the State plan shall also provide that the two State agencies will establish reciprocal referral services, utilize each other's services and facilities to the extent practicable and feasible, jointly plan activities which will improve services to handicapped individuals in the State, and otherwise cooperate in the interest of providing more effective services.

§ 401.19 Nondiscrimination in employment under construction contracts.

The State plan shall provide that the State agency will incorporate, or cause to be incorporated, into construction contracts (including construction contracts related to the establishment of workshops or rehabilitation facilities) paid for in whole or in part with funds obtained from the Federal Government under the vocational rehabilitation program, such provisions on nondiscrimination in employment as are required by and pursuant to Executive Order No. 11246, and will otherwise comply with requirements prescribed by and pursuant to such order.

STATE PLAN CONTENT: CASEWORK PRACTICE

§ 401.20 Eligibility.

(a) *General provisions.* (1) The State plan shall describe the policies and methods which the State agency will follow in determining eligibility for vocational rehabilitation services in each case. Insofar as applicable, the provisions relating to "Case study and diagnosis" in § 401.22 shall apply in the determination of eligibility.

(2) The State plan shall provide that eligibility requirements will be applied by the State agency or local rehabilitation agency without regard to sex, race, creed, color, or national origin of the individual. The State plan shall further provide that no group of individuals shall be excluded or found ineligible solely on the basis of their type of disability. In addition, the State plan shall specify that no upper or lower age limit will be established which will, in and of itself, result in a finding of ineligibility, provided, however, that the plan may contain an age requirement to the extent required by State statute until 90 days after the State legislature shall have met in regular session after January 1, 1967.

(b) *Basic conditions.* The State plan shall provide that eligibility for vocational rehabilitation services (§ 401.1(x)) shall be based upon: (1) The presence of a physical or mental disability; (2) the existence of a substantial handicap to employment; and (3) a reasonable expectation that vocational rehabilitation services may render the individual fit to engage in a gainful occupation.

(c) *Certification of eligibility.* (1) The State plan shall provide that, prior to or simultaneously with acceptance of the handicapped individual for vocational rehabilitation services, there will be a certification that the individual has met the three basic eligibility requirements specified in paragraph (b) of this section. (See § 401.21(d) for certification of need for determination of rehabilitation potential.) The State plan shall further provide that the certified statement of eligibility will be dated and signed by an appropriate agency staff member to whom such responsibility has been assigned.

(2) The State plan shall provide that a certification will be similarly executed for each case determined to be ineligible for vocational rehabilitation services, including those who have been found ineligible under this section and § 401.21.

§ 401.21 Determination of rehabilitation potential.

(a) *General provisions.* The State plan shall describe the policies and methods which the State agency will follow in establishing the need for an extended evaluation in order to determine the rehabilitation potential. Insofar as applicable, the provisions relating to "Case study and diagnosis" in § 401.22 shall apply in the determination of rehabilitation potential.

(b) *Basic conditions.* The State plan shall provide that the furnishing of vocational rehabilitation services to determine rehabilitation potential shall be based upon: (1) The presence of a physical or mental disability; (2) the existence of a substantial handicap to employment; and (3) inability to make a determination as to the third condition of eligibility under § 401.20(b) without an extended evaluation, including the provision of vocational rehabilitation services.

(c) *Duration.* Necessary vocational rehabilitation services, as specified in § 401.1(x)(2), may be provided during a period not in excess of 18 months in the case of an individual whose disability is (1) mental retardation, (2) deafness, (3) blindness, (4) paraplegia, quadriplegia, and other spinal cord injuries or diseases, (5) heart disease, (6) cancer, (7) stroke, (8) epilepsy, (9) mental illness, (10) cerebral palsy, or (11) brain damage, and not in excess of 6 months in the case of an individual with any other disability.

(d) *Certification.* The State plan shall provide that, prior to or simultaneously with acceptance of an individual for vocational rehabilitation services for purposes of determination of rehabilitation potential, there will be a certification that the individual has met the three requirements in paragraph (b) of this section. The State plan shall further provide that the certified statement will be dated and signed by an appropriate agency staff member to whom such responsibility has been assigned.

(e) *Scope of services.* The State plan shall provide that, in addition to counseling, any or all of the following vocational rehabilitation services shall be provided if necessary to determine the rehabilitation potential of the individual: (1) Diagnostic and related services; (2) physical restoration services (without the need for a determination that the physical or mental condition is stable or slowly progressive); (3) maintenance; (4) transportation; (5) training and training materials (including tools); (6) reader services for the blind; (7) interpreter services for the deaf; (8) comprehensive evaluation at a rehabilitation facility, workshop or other suitable facility; (9) other goods and services, as specified in § 401.1(x)(2), which are necessary to determine the rehabilitation potential.

(f) *Other conditions.* (1) Federal financial participation will be available in expenditures for vocational rehabilitation services, authorized after the expiration of the 6- or 18-month period, whichever is applicable in the individual case, only if a certification of eligibility has been executed by the appropriate State agency staff member to whom such responsibility has been assigned, certifying that the individual has met the three basic conditions of eligibility in § 401.20(b).

(2) The 6- or 18-month period shall begin with the date of the certification required in paragraph (d) of this section.

(3) Only one 6-month or 18-month period for determination of the rehabilitation potential shall be permitted during the period that the case is open. However, if a case has been closed a subsequent determination of the rehabilitation potential may be carried out provided that the conditions in paragraph (b) of this section are met.

(g) *Termination.* (1) The State plan shall provide that at any time prior to the expiration of the 6- or 18-month period, the extended evaluation for the determination of the rehabilitation potential shall be terminated and the individual found eligible for vocational rehabilitation services under § 401.20 if and when there is a reasonable expectation that he can be rendered fit to engage in a gainful occupation.

(2) The determination of the rehabilitation potential shall also be terminated before the expiration of the 6- or 18-month period and the individual found ineligible for any other vocational rehabilitation services at any time it is determined that there is no reasonable likelihood that he can be rendered fit to engage in a gainful occupation.

(h) *Review.* The State plan shall provide for frequent review of the individual's progress during the 6- or 18-month period including periodic reports from the institution, facility or person providing the service.

§ 401.22 Case study and diagnosis.

(a) The State plan shall provide that, prior to and as a basis for formulating the vocational rehabilitation plan for any individual certified as eligible under § 401.20, there will be a thorough diagnostic study, which will consist of a comprehensive evaluation of pertinent medical, psychological, vocational, educational, cultural, social, and environmental factors in the case. The State plan shall provide that in each case the diagnostic study shall be adequate to provide the basis for (1) establishing that a physical or mental disability is present; (2) appraising the current general health status of the individual; (3) determining how and to what extent the disabling conditions may be expected to be removed, corrected or minimized by physical restoration services; and (4) selecting an employment objective commensurate with the individual's interests, capacities and limitations.

(b) The State plan shall provide that the diagnostic study will include, in all cases to the degree needed, an evaluation of the individual's personality, intelligence level, educational achievements, work experience, vocational aptitudes and interests, personal and social adjustment, employment opportunities, and other pertinent data helpful in determining the nature and scope of services to be provided for accomplishing the individual's vocational rehabilitation objective.

(c) The State plan shall further provide that the medical diagnostic study shall include (1) a complete general medical examination, providing an appraisal of the current medical status of

the individual; (2) examinations by specialists in all medical specialty fields, as needed, including a psychiatric evaluation in all cases of mental illness (except as provided in paragraph (e) of this section); and (3) such clinical laboratory tests, X-rays, and other indicated studies as are necessary, in addition to subparagraphs (1) and (2) of this paragraph, to establish the diagnosis, to determine the extent to which the disability limits (or is likely to limit) the individual's daily living and work activities, and to estimate the probable results of physical restoration services.

(d) The State plan shall, in addition, set forth the specifications established by the agency for the content of the diagnostic study outlined in paragraph (c) of this section, including (1) the subject matter to be covered and the minimum diagnostic procedures to be employed routinely in the general medical examination; (2) the required recency of such examination, and the conditions under which a medical abstract will be accepted in lieu of a new examination; and (3) the conditions under which examinations by specialists will be required.

(e) The State plan shall provide that (1) in all cases of mental retardation a psychological evaluation will be obtained which will include a valid test of intelligence and an assessment of social functioning and educational progress and achievement; (2) in all cases of behavioral disorders a psychiatric or psychological evaluation will be obtained, as appropriate; and (3) in all cases of blindness an adequate hearing evaluation will be obtained.

(f) The State plan shall further provide that, prior to, and as a basis for the extended evaluation plan (§ 401.23), sufficient case study and diagnosis in accordance with the foregoing paragraphs of this section, insofar as they are applicable, will be completed to establish the presence of a physical or mental disability, a substantial handicap to employment and the services to be provided during the extended evaluation period.

§ 401.23 Extended evaluation plan.

(a) The State plan shall provide that an extended evaluation plan to determine rehabilitation potential will be formulated for each individual to whom services will be provided after certification under § 401.21. This individual plan shall (1) be based on data secured in the preliminary diagnostic study; (2) indicate the nature of the vocational rehabilitation services necessary to determine the rehabilitation potential of the individual and the arrangements for providing (or otherwise securing) such necessary services; and (3) be formulated with the assistance of appropriate agency consultants when necessary and with the client's participation.

(b) The State plan shall provide that the State agency shall terminate or revise the extended evaluation plan for an individual when it becomes evident that his vocational rehabilitation cannot be completed, his needs have changed, or sufficient facts have been secured to determine his rehabilitation potential.

§ 401.24 Vocational rehabilitation plan for the individual.

(a) The State plan shall provide that an individual plan of vocational rehabilitation will be formulated for each client to whom services will be provided after eligibility has been established. The individual plan shall (1) be based upon data secured in the diagnostic study and the extended evaluation, if provided; (2) specify the vocational rehabilitation objective (or tentative objective where the ultimate objective cannot be determined at that time), the services necessary to accomplish the client's vocational rehabilitation, and the arrangements for providing (or otherwise securing) such necessary services; and (3) be formulated with the assistance of appropriate agency consultants when necessary and with the client's participation.

(b) The State plan shall provide that the vocational rehabilitation plan shall specify that all necessary services will be carried to completion insofar as possible. The State plan shall further provide that the State agency may terminate or revise the plan for any client when it becomes evident that his vocational rehabilitation cannot be achieved, that services cannot be completed, or that the client's needs have changed.

§ 401.25 Processing referrals and applications.

The State plan shall describe the methods to be followed in handling referrals and applications for vocational rehabilitation services.

§ 401.26 Order of selection for services.

The State plan shall set forth the criteria to be used in selecting eligible individuals for services when services cannot be provided to all eligible persons who apply. Such criteria shall be designed to achieve the objectives of the vocational rehabilitation program to the fullest extent possible with available funds.

§ 401.27 Administrative review of agency action, and fair hearings.

The State plan shall provide that an applicant for or recipient of vocational rehabilitation services under the State plan who is dissatisfied with any agency decision with regard to the furnishing or denial of services may file a request for review and redetermination of that decision and that such review shall be made by a member or members of the supervisory staff. The State plan shall further provide for granting an opportunity for a fair hearing before the State agency or the State administrator to any individual whose application for vocational rehabilitation services under the plan is denied or is not acted upon with reasonable promptness.

§ 401.28 Counseling.

The State plan shall set forth the standards and policies established for the counseling of handicapped individuals which will assure (a) adequate counseling services to the individual in connection with his vocational potentialities and the health, personal and social prob-

lems related to his vocational adjustment; and (b) necessary assistance to him in developing an understanding of his capacities and limitations, in selecting a suitable occupational goal, and in using appropriately the medical services, training, and other rehabilitation services needed to achieve the best possible vocational adjustment. The State plan shall also provide for the securing of reports from agencies, institutions and individuals providing vocational rehabilitation services and for other methods of evaluating the progress in each case which will aid the counselor in his contacts with the handicapped individual.

§ 401.29 Economic need.

(a) The State plan shall provide that no economic needs test will be applied as a condition for furnishing the following vocational rehabilitation services: (1) Diagnostic and related services (including transportation); (2) counseling; (3) placement.

(b) A State need not condition the provision of any vocational rehabilitation services on the economic need of the handicapped individual. If, however, the State elects to have such a condition, the State plan shall set forth the agency's policies with respect to the determination of economic need, and shall specify the types of vocational rehabilitation services for which the agency has established an economic needs test. The policies so established shall be reasonable and shall be applied uniformly so that equitable treatment is accorded all individuals in similar circumstances.

§ 401.30 Consideration of similar benefits.

(a) The State plan shall provide that the agency will give full consideration to any benefit available to the handicapped individual by way of pension, compensation or insurance to meet, in whole or in part, the cost of any vocational rehabilitation services provided to the individual except diagnostic and related services (including transportation), counseling, training, reader services for the blind, interpreter services for the deaf and placement.

(b) The State plan shall provide that when, and to the extent that, an individual is eligible for a benefit by way of pension, compensation or insurance which is available to meet the cost of the particular vocational rehabilitation service, the benefit will be utilized for such service. Such benefits would include (but would not be limited to): (1) Hospital and physicians' services plans, in relation to physical restoration services; and (2) workmen's compensation, veterans' benefits, old age, survivors', and disability insurance benefits, and unemployment compensation, in relation to basic maintenance.

§ 401.31 Recording of case data.

The State plan shall provide that the State agency will maintain a record for each case which will contain pertinent information about the individual and the services provided. For those individuals accepted for service, the case

record shall include the following items to the extent pertinent: (a) Data supporting the determination of eligibility and pertinent information secured in the diagnostic study; (b) data supporting the decision to provide services to determine the rehabilitation potential for those cases for which the third condition of eligibility cannot be determined immediately, the extended evaluation plan and progress reports on the extended evaluation; (c) data relating to the establishment of the client's need for financial assistance if the State elects to condition the provision of any services on the economic need of the client; (d) data relating to the eligibility of the individual for similar benefits by way of pension, compensation and insurance; (e) data supporting the clinical status of the client's disabling condition as stable or slowly progressive in the event that the physical restoration services are provided after the establishment of the three basic conditions of eligibility; (f) a vocational rehabilitation plan, setting forth the vocational rehabilitation objective of the individual, the services needed for his vocational rehabilitation as determined through the case study and extended evaluation, if provided, and the way in which such services will be provided; and (g) the reason and justification for closing the case, including the employment status of the client, and, if the case is closed as employed, the basis on which the employment was determined to be suitable. For those individuals not found eligible, the case record shall include data supporting the finding of ineligibility.

§ 401.32 Confidential information.

(a) The State plan shall provide that the State agency will adopt such regulations as are necessary to assure that:

(1) All information as to personal facts given or made available to the State or local rehabilitation agency, its representatives, or its employees, in the course of the administration of the vocational rehabilitation program, including lists of names and addresses and records of agency evaluation, shall be held to be confidential.

(2) The use of such information and records shall be limited to purposes directly connected with the administration of the vocational rehabilitation program and may not be disclosed, directly or indirectly, other than in the administration thereof, unless the consent of the client to such release has been obtained either expressly or by necessary implication. Release of information to employers in connection with the placement of the client may be considered as release of information in connection with the administration of the vocational rehabilitation program. Such information may, however, be released to welfare agencies or programs from which the client has requested certain services under circumstances from which his consent may be presumed, provided such agencies have adopted regulations which will assure that the information will be held confidential, and can assure that the information will be used only for the

purposes for which it is provided. Such information will be released to an organization or individual engaged in research only for purposes directly connected with the administration of the State vocational rehabilitation program (including research for the development of new knowledge or techniques which would be useful in the administration of the program) and only if the organization or individual furnishes satisfactory assurance that the information will be used only for the purpose for which it is provided; that it will not be released to persons not connected with the study under consideration; and that the final product of the research will not reveal any information that may serve to identify any person about whom information has been obtained through the State agency, without written consent of such person and the State agency.

(3) All such information is the property of the State agency or of the State and local rehabilitation agency, and may be used only in accordance with the agency's regulations.

(b) The State plan shall further provide that the State agency will adopt such procedures and standards as are necessary to: (1) Give effect to its regulations; (2) assure that all rehabilitation clients and interested persons will be informed as to the confidentiality of vocational rehabilitation information; (3) assure the adoption of such office practices and the availability of such office facilities and equipment as will assure the adequate protection of the confidentiality of such records.

STATE PLAN CONTENT: SERVICES

§ 401.33 Scope of agency program.

(a) As required by the act, the State plan shall provide as a minimum for the furnishing of the following vocational rehabilitation services to each eligible individual found by the diagnostic study to require such services: Counseling, training, maintenance during rehabilitation, physical restoration, and placement.

(b) The State plan shall describe all the services to be provided, the general scope of agency activities to be undertaken, and the categories of expenditures in which the State agency will request Federal financial participation.

§ 401.34 Standards for facilities and personnel.

The State plan shall provide that the State agency will establish and maintain standards for the various types of facilities and professional personnel utilized in providing services to eligible individuals, and shall describe the general content of such standards and the bases on which they were developed. The State plan shall also set forth the methods to be employed for maintaining such standards in accessible form for agency personnel.

§ 401.35 Rates of payment.

The State plan shall provide for the establishment of rates of payment for diagnostic services, training, and physical restoration services purchased for

clients, describe the policies used in arriving at such rates, and provide that the State agency will maintain in accessible form information justifying such rates of payment.

§ 401.36 Training.

The State plan shall set forth the policies that the State agency will follow in furnishing training to eligible individuals to the extent necessary to achieve their vocational rehabilitation. Such training includes vocational, prevocational, personal adjustment training, and other rehabilitation training which contributes to the individual's vocational adjustment; it covers training provided directly by the State agency or procured from other public or private training facilities. The State plan shall also include the State agency's policies with respect to the provision of books and training materials, including books.

§ 401.37 Physical restoration services.

The State plan shall set forth the policies that the State agency will follow in furnishing physical restoration services to individuals to the extent necessary to determine their rehabilitation potential or achieve their vocational rehabilitation. The State plan shall further specify that, with respect to those cases for which the State agency wishes Federal financial participation in expenditures for physical restoration services to clients certified as eligible under § 401.20, the following additional criteria are met in each case: (a) The clinical status of the individual's condition is stable or slowly progressive (i.e., the condition must not be acute or transitory); and (b) physical restoration services may be expected to eliminate or substantially reduce the handicapping condition within a reasonable period of time.

§ 401.38 Transportation.

The State plan shall set forth the policies with respect to furnishing transportation incidental to provision of diagnostic or other vocational rehabilitation services under the State plan. Transportation is considered to mean the necessary travel and related costs in connection with transporting handicapped individuals for the purpose of providing diagnostic or other vocational rehabilitation services under the State plan. Transportation includes costs of travel and subsistence during travel (or per diem allowances in lieu of subsistence) for handicapped individuals and their attendants or escorts, where such assistance is needed.

§ 401.39 Maintenance.

(a) The State plan shall specify the policies established for provision of maintenance and shall provide that maintenance will be furnished only in order to enable an individual to derive the full benefit of other vocational rehabilitation services being provided. As needed in the individual case, maintenance may be provided at any time in connection with vocational rehabilitation services from the date of initiation of such services, including diagnostic serv-

ices, to a reasonable period following placement.

(b) The State plan may provide that the agency will assume responsibility for provision, as a part of maintenance, of amounts to cover the cost of short periods of medical care for acute conditions arising in the course of vocational rehabilitation, which, if not cared for, would constitute a hazard to the completion of the determination of the rehabilitation potential or the achievement of the vocational rehabilitation objective.

§ 401.40 Placement.

The State plan shall provide that the State or local rehabilitation agency will assume responsibility for placement of individuals accepted for service. The State plan shall set forth the standards established for determining if the client is suitably employed, and shall provide for a reasonable period of followup after placement to assure that the vocational rehabilitation of the client has been successfully achieved.

§ 401.41 Tools, equipment, initial stocks and supplies, occupational licenses.

The State plan shall describe the policies governing the provision of tools, equipment, initial stocks (including livestock) and supplies, and equipment, initial stocks and supplies for vending stands. The State plan shall further describe the conditions governing the provision of occupational licenses.

§ 401.42 Special services for the blind and deaf.

The State plan shall set forth the policies that the State agency will follow in providing reader services for the blind and interpreter services for the deaf.

§ 401.43 Other goods and services.

The State plan shall set forth the policies that the State agency will follow in providing other goods and services necessary to render a handicapped individual fit to engage in a gainful occupation or to determine his rehabilitation potential.

§ 401.44 Small business enterprises including vending stands.

If the State agency wishes Federal financial participation in establishing small business enterprises (including vending stands) or in the management services and supervision provided to such small business enterprises, the State plan shall, to the extent pertinent, (a) describe the types of small business enterprises to be established under the program; (b) describe the policies governing the acquisition of vending stands or other equipment and initial stocks (including livestock) and supplies for such businesses; (c) describe the policies governing the management and supervision of the program; (d) describe how management and supervision will be accomplished either by the State or local rehabilitation agency, or by some other organization as the nominee of such agency, subject to its control; and (e) provide that only those persons defined as severely handicapped in the State plan will be selected to participate in this supervised program.

§ 401.45 Establishment of workshops.

If a State agency desires Federal financial participation in establishing public or other nonprofit workshops, the State plan shall: (a) Provide that the State agency will determine that needs for individual workshops exist prior to their establishment and that such establishment is consistent with the State workshops and rehabilitation facilities plan; and (b) set forth criteria and standards applicable to such workshops with respect to physical plant, equipment, personnel, administration and management, health, safety, wages, hours, working conditions, workmen's compensation or liability insurance, and other pertinent conditions. In setting forth such standards, the State plan may incorporate, insofar as applicable, the standards of the Commissioner as developed with the advice of the National Policy and Performance Council. The State plan shall further provide for coordination between the State agency and the State agency administering the Medical Facilities Survey and Construction Act of 1954 (P.L. 482, 83d Cong.) as amended, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (P.L. 164, 88th Cong.) as amended, and any other act concerned with the establishment and development of workshops, in order to prevent duplication of workshops and impairment of the objectives of the State rehabilitation program. The State plan shall also provide that reports concerning the establishment of workshops shall be submitted in such form and shall contain such information as the Commissioner may require.

§ 401.46 Establishment of rehabilitation facilities.

If a State agency desires Federal financial participation in establishing public or other nonprofit rehabilitation facilities, the State plan shall: (a) Provide that the State agency will determine that needs for individual rehabilitation facilities exist prior to their establishment and that such establishment is consistent with the State workshops and rehabilitation facilities plan; and (b) set forth the criteria and standards applicable to such facilities with respect to physical plant, equipment, personnel, administration and management, safety and other pertinent conditions. In setting forth such standards, the State plan may incorporate, insofar as applicable, the standards of the Commissioner as developed with the advice of the National Policy and Performance Council. The State plan shall further provide for coordination between the State agency and the State agency administering the Medical Facilities Survey and Construction Act of 1954 (P.L. 482, 83d Cong.) as amended, the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (P.L. 164, 88th Cong.) as amended, and any other act concerned with the establishment and development of rehabilitation facilities in order to prevent duplication of rehabilitation facilities and impairment of the objectives of

the State rehabilitation program. The State plan shall also provide that reports concerning the establishment of rehabilitation facilities shall be submitted in such form and shall contain such information as the Commissioner may require.

§ 401.47 Services to civil employees of the United States.

The State plan shall provide that vocational rehabilitation services will be made available to civil employees of the U.S. Government who are disabled in line of duty, under the same conditions as are applied to other handicapped individuals.

§ 401.48 Authorization of services.

The State plan shall set forth the State agency's policies with respect to authorization of services, and shall provide that written authorization will be made either simultaneously with or prior to the purchase of services, and that a record of such authorization will be retained. Where agency policy permits that oral authorization may be made in an emergency situation by an employee of the State or local rehabilitation agency, the State plan shall provide for documentation of such oral authorization in the client's case record.

§ 401.49 Funds made available to private nonprofit agencies for establishment of workshops or rehabilitation facilities.

The State plan shall provide that funds made available to a private nonprofit agency for the establishment of a workshop or rehabilitation facility (see §§ 401.45, 401.46) shall be expended by that agency in accordance with procedures and standards equivalent to those applicable to the State agency in making direct expenditures for similar purposes.

Subpart C—Financing of State Vocational Rehabilitation Programs

FEDERAL FINANCIAL PARTICIPATION

§ 401.60 Effect of State rules.

Subject to the provisions and limitations of the act and this part, Federal financial participation will be available in expenditures made under the State plan (including the administration thereof) in accordance with applicable State laws, rules, regulations, and standards governing expenditures by State and local rehabilitation agencies.

§ 401.61 Vocational rehabilitation services to individuals.

(a) Federal financial participation will be available in expenditures made under the State plan for providing the following vocational rehabilitation services to handicapped individuals:

(1) Diagnostic and related services (including transportation), incidental to the determination of eligibility for and the nature and scope of services to be provided, including the determination of the need for an extended evaluation of rehabilitation potential.

(2) Counseling.

(3) Training.

(4) Books and training materials, including tools necessary for training.

(5) Physical restoration services.

(6) Maintenance, except that Federal financial participation will not be available in payments for maintenance made in connection with the placement of a handicapped individual after he actually receives remuneration for his employment or, in the case of a handicapped individual placed in self-employment, after 30 days from the time the individual is so placed. Federal financial participation in expenditures for short periods of medical care for acute conditions arising during the course of rehabilitation, which, if not cared for, would constitute a hazard to the determination of the rehabilitation potential or to the achievement of the vocational objective, will be available only for a period not to exceed 30 days in the case of any one illness.

(7) Transportation.

(8) Reader services for the blind.

(9) Interpreter services for the deaf.

(10) Other goods and services (such as attendant services), not contra-indicated by the act and this part, necessary to determine the rehabilitation potential of a handicapped individual or to render him fit to engage in a gainful occupation.

(b) Federal financial participation will also be available in expenditures for the following additional vocational rehabilitation services provided to individuals found eligible under § 401.20:

(1) Business and occupational licenses.

(2) Tools, equipment and initial stocks (including livestock) and supplies; equipment and initial stocks and supplies for vending stands. "Equipment" as used here includes, in the case of shelters, only those for a business undertaking which are customarily furnished by the operator of a like undertaking occupying premises under a short-term lease.

(3) Placement services.

(c) Federal financial participation will not be available in any expenditure made, either directly or indirectly, on behalf of a handicapped individual, for the purchase of any land, or for the purchase or erection of any building. This exclusion with respect to buildings does not apply to shelters as described in paragraph (b) (2) of this section.

(d) The State may, if it so elects, retain legal title to any or all of the goods listed in paragraphs (a) (4) and (b) (2) of this section.

§ 401.62 Small business enterprises.

Federal financial participation will be available in expenditures made under the State plan for the acquisition of equipment, and initial stocks (including livestock) and supplies for small business enterprises (including vending stands) and, effective July 1, 1966, for management services and supervision provided to such small business enterprises. "Equipment" as used herein includes, in the case of shelters, only those for a business undertaking which are custom-

arily furnished by the operator of a like undertaking occupying premises under a short-term lease. Federal financial participation will not be available in any expenditure for the purchase or rental of any land, nor for the purchase, rental, or erection of any building. This exclusion with respect to buildings does not apply to shelters as described in the second sentence of this section.

§ 401.63 Establishment of public and other nonprofit rehabilitation facilities.

Federal financial participation will be available in expenditures made under the State plan for the establishment of public and other nonprofit rehabilitation facilities: *Provided, however,* That Federal financial participation will not be available in any expenditures for the purchase or rental of any land or buildings in connection with the establishment of such facilities.

§ 401.64 Establishment of public and other nonprofit workshops.

Federal financial participation will be available in expenditures made under the State plan for the establishment of public and other nonprofit workshops: *Provided, however,* That Federal financial participation will not be available in any expenditures for the purchase or rental of any land or buildings in connection with the establishment of such workshops.

§ 401.65 Administration.

Federal financial participation will be available in expenditures under the State plan for administration. Administration includes, among other things: Program planning, development and control; research; interpretation of the program to the public; personnel administration; use of advisory committees; and staff development, including educational leave. All expenditures for administration in which Federal financial participation is claimed must be subject to the administrative or supervisory control of the State agency, or, if performed by some other agency of the State, must be subject to such terms of a cooperative arrangement as will serve to assure consistency with the State agency's policies and objectives.

§ 401.66 Purchase of goods, facilities, or services from other agencies of the State.

Federal financial participation will be available in expenditures under the State plan for payment of the costs incurred by other agencies of the State furnishing goods, facilities, or services to the State agency: *Provided,* That (a) such payments are permissible under State law; (b) such costs are incurred to meet the needs of the State agency, and are not costs attributable to the general expense of the State in carrying out the overall coordinating, fiscal, and administrative functions of the State Government; and (c) such costs are extra, identifiable, and readily ascertainable either by segregation or as a prorata share of the cost of such goods, facilities, or services.

§ 401.67 Insurance and taxes.

Federal financial participation will be available in expenditures made under the State plan for (a) the State or local rehabilitation agency's share of costs in employee benefit programs, such as retirement, group life and hospitalization insurance; (b) workmen's compensation; (c) burglary, robbery, and fire insurance, if permitted by the State, and reasonably necessary to protect funds in transit or in the custody of State or local agency personnel; (d) motor vehicle liability costs, where the State accepts responsibility for such loss; and (e) Federal, State, and local taxes, if the State or local rehabilitation agency is legally obligated to pay such taxes, and provided that all comparable agencies in the State are uniformly treated.

§ 401.68 Costs of office space.

(a) Federal financial participation will be available in expenditures made under the State plan for costs of office space for State or local rehabilitation agencies that are incurred (1) for paying rent and service and maintenance costs in privately owned buildings; (2) in meeting the costs of service and maintenance in lieu of rent in publicly owned buildings; (3) in meeting rental charges in federally and municipally owned buildings, where the municipality is not administering the vocational rehabilitation program locally; (4) in making necessary repairs and alterations to either privately or publicly owned buildings; and (5) for monthly rental charges, based on the cost of initial construction or purchase of State or locally owned buildings.

(b) All expense for office space must be based on an actual rental charge or a monthly rental rate that is a reasonable approximation of actual cost over a longrun period. Federal financial participation is available only for periods when the State or local agency occupies the space, and where the rate for any type of cost or combination does not exceed comparable rental in the particular community. Whenever the total charges for service and maintenance in lieu of rent in publicly owned buildings (paragraph (a) (2) of this section), or the monthly rental charge based on the cost of initial construction or purchase of publicly owned buildings (paragraph (a) (5) of this section), exceed 75 per centum of the comparable rental, Federal financial participation will be available only upon special justification by the State agency.

§ 401.69 State and local funds.

In order to receive the Federal share of expenditures under the State plan, expenditures from State or local funds under such plan equal to the State's share must be made. The State's share shall be the difference between the Federal share (see §§ 401.72 and 401.92) and 100 per centum.

(a) For the purposes of this section, "State or local funds" means (1) funds made available by appropriation directly to the State or local rehabilitation agency, funds made available by allot-

ment or transfer from a general departmental appropriation, or funds otherwise made available to the State or local rehabilitation agency by any unit of State or local government; (2) contributions by private organizations or individuals, which are deposited in the account of the State or local rehabilitation agency in accordance with State law, for expenditure by, and at the sole discretion of, the State or local rehabilitation agency; *Provided, however,* That such contributions earmarked for meeting the State's share for providing particular services, for serving certain types of disabilities, for providing services for special groups which are identified on the basis of criteria which would be acceptable for the earmarking of public funds, or for carrying on types of administrative activities so identified, may be deemed to be State funds, if permissible under State law; or (3) contributions by private organizations or individuals, deposited in the account of the State or local rehabilitation agency in accordance with State law, which are earmarked, under a condition imposed by the contributor, for meeting (in whole or in part) the State's share for establishing a particular workshop or rehabilitation facility, if permissible under State law; *Provided, however,* That such funds may be used to earn Federal funds only with respect to expenditures for establishing the particular workshop or rehabilitation facility for which the contributions are earmarked.

(b) To the extent that the State or local funds are of the type described in paragraph (a) (3) of this section, Federal financial participation shall be available in expenditures by a State after August 3, 1954, if, with respect to expenditures prior to July 1, 1965, the Commissioner has included the amount of such expenditure in computing a Federal grant certified prior to July 1, 1965, for payment, and if, with respect to expenditures after June 30, 1964, the Commissioner finds that such expenditures will serve a useful program purpose and that Federal funds are available in the light of other program needs.

(Interpret and apply Department of Health, Education, and Welfare Appropriation Act, 1965, Public Law 88-605, Title II, 78 Stat. 967)

§ 401.70 Waiver of Statewideness.

If the approved State plan provides for activities to be carried out in one or more political subdivisions through local financing, Federal financial participation will be available in expenditures made under the State plan for vocational rehabilitation services and administration in connection with such activities in accordance with the provisions of this subpart, except that funds made available to the State agency by such political subdivisions of the State (including funds contributed to such a subdivision by a private agency, organization or individual) may be earmarked for use within a specific geographical area or for a specific facility or for the benefit of a group of individuals with a particular disability, provided that nothing in this para-

graph shall authorize the further earmarking of funds for a particular individual or for members of a particular organization.

ALLOTMENT AND PAYMENT

§ 401.71 Allotment of Federal funds for vocational rehabilitation services.

(a) For each fiscal year each State shall be entitled to an allotment of an amount bearing the same ratio to the amount authorized by the act to be appropriated for that fiscal year for making grants to States for meeting the cost of vocational rehabilitation services under section 2 of the act as the product of the population of the State and the square of its allotment percentage bears to the sum of the corresponding products for all States, subject to the provisions in paragraph (b) of this section.

(1) Population, as applied to any State, means the population of that State as determined by the most recent official estimates of the Bureau of the Census available to the Commissioner preceding the fiscal year for which Federal grant funds are appropriated, except that for fiscal year 1966 population should be determined on the basis of such estimates available to the Commissioner on November 8, 1965.

(2) The allotment percentage for any State shall be 100 per centum less that percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States (i.e., the 50 States and the District of Columbia), except that the allotment percentage shall in no case be more than 75 per centum or less than 33 $\frac{1}{3}$ per centum, and the allotment percentage for Puerto Rico, the Virgin Islands, and Guam shall be 75 per centum.

(3) The allotment percentage shall be promulgated by the Secretary between July 1 and August 31 of each even-numbered year, on the basis of the average of the per capita incomes of the States and of the United States (i.e., the 50 States and the District of Columbia) for the three most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the 2 fiscal years in the period beginning July 1 next succeeding such promulgation.

(b) The allotment to any State for any fiscal year, as computed under paragraph (a) of this section, which is less than the amount such State was entitled to receive for the fiscal year ending June 30, 1965, pursuant to section 2 of the act as then in effect, as the Federal share of its expenditures under its State plan for vocational rehabilitation services, shall be increased to that amount. The amount which a State was entitled to receive for fiscal year 1965, pursuant to the preceding sentence, shall be determined on the basis of such information, including reports from the State, as the Vocational Rehabilitation Administration had on November 8, 1965. The total of any increases required under this paragraph shall be derived by propor-

tionately reducing the allotment of each of the States whose allotments were not subject to the increase, but with such adjustments as may be necessary to prevent the allotment of any State from being thereby reduced to less than the amount the State was entitled to receive for the fiscal year ending June 30, 1965, pursuant to section 2 as then in effect.

(c) Additional allotments are made in accordance with Congressional authorizations. The authorization for additional allotments under the Department of Health, Education, and Welfare Appropriation Act, 1966 (Public Law 89-156), was superseded by the later-enacted Vocational Rehabilitation Act Amendments of 1965 (Public Law 89-333).

(d) (1) Within the limits of the allotments and additional allotments to States for grants for vocational rehabilitation services under section 2 of the act, the Commissioner shall, as authorized by the Congress, make allocations among the States which may be used only for paying the Federal share of expenditures for the establishment of workshops or rehabilitation facilities where, and to the extent that, the State funds used for such expenditures are derived from private contributions conditioned on use for a specified workshop or facility. (See § 401.69.) No part of the allotment to any State for grants under section 2 of the act for any fiscal year other than the allocation to such State pursuant to this paragraph may be used for these purposes.

(2) The allocations to the States for any fiscal year shall be made initially on the basis of population, with such adjustments as may be necessary to make available to each State an allocation of \$25,000 or such other standard minimum amount as the Commissioner may find necessary to support a useful establishment project in each State.

(3) The Commissioner may make re-allocations for any fiscal year from time to time of amounts released by the States or determined by the Commissioner not to be reasonably expected to be used by the States within the fiscal year. Additional allocations may be made to States which have need of them as evidenced by approvable project proposals. Priority for additional allocations shall be given on the basis of national, State and local program needs, with due regard for the importance of promoting a nationwide distribution of workshops and rehabilitation facilities of high quality. A State's allocation as increased or decreased pursuant to this subparagraph shall be its allocation for the fiscal year.

(e) Where the State plan designates separate agencies to administer (or supervise the administration of) the part of the plan under which vocational rehabilitation services are provided for the blind, and the rest of the plan, respectively, the division of the State's allotment pursuant to paragraphs (a) and (b) of this section and the State's allocation pursuant to paragraph (d) of this section between such agencies is a matter for State determination.

(Interpret and apply Department of Health, Education, and Welfare Appropriation Act, 1965, Public Law 88-605, Title II, 78 Stat. 987; and Department of Health, Education, and Welfare Appropriation Act, 1966, Public Law 89-156, Title II, 79 Stat. 596)

§ 401.72 Payments from allotments.

(a) Except as provided in paragraph (b) of this section, the Commissioner shall pay to each State an amount equal to the Federal share of the cost of vocational rehabilitation services under its approved State plan, including the cost of administration of the plan. The Federal share for each State for the fiscal year ending June 30, 1967, and each subsequent fiscal year, shall be 75 percent. For the fiscal year ending June 30, 1966, the Federal share for each State shall be its Federal share in effect for the fiscal year ending June 30, 1965, plus one-half of the difference between that share and 75 percent.

(b) (1) The total of payments to a State under paragraph (a) of this section for any fiscal year may not exceed its allotment under § 401.71 for such year.

(2) Amounts otherwise payable to a State under this section for any fiscal year shall be reduced by the amount (if any) by which expenditures from non-Federal sources (except for expenditures with respect to which the State is entitled to payments under § 401.92) for such fiscal year under such State's approved plan for vocational rehabilitation services are less than such expenditures under such plan for the fiscal year ending June 30, 1965. The expenditures under the State plan for fiscal year 1965, pursuant to the preceding sentence, shall be determined on the basis of such information, including reports from the State, as the Vocational Rehabilitation Administration had on November 8, 1965. If a reduction in payments for any fiscal year is required in the case of a State where separate agencies administer (or supervise the administration of) the part of the plan under which vocational rehabilitation services are provided for the blind, and the rest of the plan, respectively, such reduction shall be made in direct relation to the amount by which expenditures from non-Federal sources under each part of the plan are less than they were under that part of the plan during the fiscal year ending June 30, 1965.

§ 401.73 Method of computing and making payments.

The method of computing and paying grants for vocational rehabilitation services pursuant to section 2 of the act, and for innovation projects under section 3 of the act, shall be as follows:

(a) *Estimates.* The Commissioner shall prior to each fiscal quarter or other period prescribed by him, estimate the amount to be paid each State from its allotment for vocational rehabilitation services and its allotment for innovation projects. This estimate will be based on such records of the State and information furnished by it, and such

other investigation, as the Commissioner may find necessary.

(b) *Payments.* The Commissioner shall pay, from the allotment available therefor, the amount so estimated for such period. In making any such payment, such additions and subtractions will be made as the State's accounting for any prior period and audit thereof may indicate as necessary in balancing the Federal-State account for any such prior period. Payments shall be made prior to audit or settlement by the General Accounting Office, shall be made through the disbursing facilities of the Treasury Department, and shall be made in such installments as the Commissioner may determine.

§ 401.74 Effect of payments.

(a) Neither the approval of the State plan nor any payment to the State pursuant thereto shall be deemed to waive the right or duty of the Secretary or Commissioner to withhold funds by reason of the failure of the State to observe, before or after such administrative action, any requirement of the act or of this part.

(b) The final amount to be paid for any period is determinable on the basis of expenditures under the State plan for authorized purposes with respect to which Federal financial participation is authorized. The State assumes absolute responsibility for the initial application of Federal funds to authorized plan purposes. The State will be required to make transfers and adjustments to discharge its accountability to the Federal Government.

§ 401.75 Interest and refunds.

Interest earned on grants made under the act shall be duly credited to the principal of the grant. All such earnings of interest shall be duly reported. Any amount refunded or repaid to the State shall be credited to the Federal account in proportion to the Federal participation in the expenditures by reason of which such refunds or repayments were made, and such sums shall be considered as granted from the State's allotment.

§ 401.76 Determining to which fiscal year an expenditure is chargeable.

In determining to which Federal fiscal year expenditures are chargeable for the purpose of earning the State's allotment under section 2 or section 3 of the act, State laws and regulations for determining to which State fiscal year and expenditure is chargeable will be followed. In those States which appropriate funds for a biennium and do not distinguish between the separate fiscal years of the biennium, the State laws and regulations for determining to which biennium an expenditure should be charged will be applied in determining to which Federal fiscal year an expenditure is properly chargeable. In those States where the State fiscal year does not coincide with the Federal fiscal year, State laws and regulations for determining to which State fiscal year an expenditure is chargeable will be applied to the Federal fiscal year.

Subpart D—Payment of Costs of Vocational Rehabilitation Services to Disability Beneficiaries From the Social Security Trust Funds [Reserved]

Subpart E—Grants to States for Innovation of Vocational Rehabilitation Services

§ 401.90 General requirements.

(a) Under the authority of section 3 of the act, States providing vocational rehabilitation services under an approved State plan may receive grants to assist them in undertaking projects which: (1) Provide for the development of new methods or techniques for providing vocational rehabilitation services for handicapped individuals; or (2) are especially designed for the development of, or provision for, new or expanded vocational rehabilitation services for groups of handicapped individuals having disabilities which are catastrophic or particularly severe. Whether the methods, or techniques are new, or the services are new or expanded, shall be determined in relation to the program existing in the State.

(b) Each such project for which a State desires assistance must be approved by the Vocational Rehabilitation Administration. The necessary conditions for such approval are: (1) The innovation project undertaken by the State agency must be an organized plan of identifiable activities directed to the purposes described in paragraph (a) of this section; and (2) the project activity or activities must already be included within the scope of the State's approved plan, or such plan must be amended to include them.

(c) Types of projects for which innovation grants may be made include, but are not limited to, projects which: (1) Provide vocational rehabilitation services to paraplegics, quadriplegics, stroke and cancer victims, the totally deaf, the deaf blind, the retarded blind and others who have been inadequately served because of the severity of their disabilities or the costs involved; (2) introduce new patterns of vocational rehabilitation services; (3) establish workshops or rehabilitation facilities unique in that State and in conformity with the State workshops and rehabilitation facilities plan; and (4) develop service programs in cooperation with other public agencies which provide new methods and techniques for serving the handicapped, especially those individuals having disabilities which are catastrophic or particularly severe. Projects may be Statewide in scope or limited to a geographical area of the State.

(d) Innovation grants will not be made for projects designed primarily to: (1) Train staff; (2) improve administrative procedures unless it can be shown clearly that such improvements will bring new methods or techniques to the State for providing services or will bring services to new groups of clients; or (3) establish workshops and rehabilitation

facilities of a type already found in the State.

§ 401.91 Allotment of Federal funds for innovation projects.

Section 3 of the act provides that, from the sums available for any fiscal year for grants to States to assist them in meeting the costs of approved innovation projects, each State shall be entitled to an allotment of an amount bearing the same ratio to such sums as the population of the State bears to the population of all the States. Population, as applied to any State, means the population of that State as determined by the most recent official estimates of the Bureau of the Census available to the Commissioner preceding the fiscal year for which Federal grant funds are appropriated. The act further provides that the allotment to any State for any fiscal year which is less than \$5,000 (or such other amount as may be specified as a minimum allotment in the act appropriating such sums for such year) shall be increased to that amount, the total of the increases thereby required being derived by proportionately reducing the allotments to each of the remaining States, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than that amount. Where the State plan designates separate agencies to administer (or supervise the administration of) the part of the plan under which vocational rehabilitation services are provided for the blind, and the rest of the plan, respectively, the division of the State's allotment between such agencies is a matter for State determination.

§ 401.92 Payments from allotments.

(a) Payments with respect to any innovation project may be made for a period not exceeding 5 years, beginning with the commencement of the first fiscal year for which any payment is made for such project under paragraph (b) of this section. If any innovation project extends beyond such 5-year period, payments may continue to be made with respect to such projects in accordance with the provisions of section 2 of the act and § 401.72.

(b) From the sums allotted pursuant to § 401.91, the Commissioner shall pay to each State, with respect to any approved innovation project, an amount equal to 90 percent of the cost of such project (including its administration) for the first 3 years of such project and 75 percent of the cost of such project (including its administration) for the fourth and fifth years, except that, at the request of the State, such payment may be less than such percentage of the cost of such project.

(c) For purposes of determining the commencement of Federal participation in any innovation project under section 3 of the act, the effective date for the commencement of such project shall be the date of its submission for approval (or a later date, at the request of the State).

(d) No payment shall be made from an allotment under section 3 of the act with respect to any cost of an innovation project for which payment has been made under any other section of the act.

§ 401.93 Application submittal.

An application for an innovation project may be submitted to the regional representative of the Vocational Rehabilitation Administration at any time. The application shall be submitted by a duly authorized officer of the State agency in such form and detail as the Commissioner may prescribe. The regional representative will review each application and determine, after consultation with the State regarding any suggested revision, whether such application meets the requirements for an innovation grant, and he will notify the State in writing of his finding.

§ 401.94 Application content.

Each application submitted shall (a) describe the specific activities to be undertaken, showing how they: (1) Provide for the development of new methods or techniques for providing vocational rehabilitation services, or (2) offer new or expanded services for groups of handicapped individuals whose disabilities are particularly severe or catastrophic; (b) specify the duration of the project; (c) set forth the budget for the project and the method for meeting costs; (d) provide that qualified and adequate staff and supervision are available to accomplish the purpose of the project; and (e) supply such other information as the Commissioner may find necessary to insure that the project meets the requirements for approval hereinbefore set forth.

§ 401.95 Project amendments.

An amendment to an approved innovation project shall be submitted whenever necessary to reflect any material change in the scope, operation or administration of the project. Such amendments shall be submitted in writing to the regional representative for approval. If for any reason an approved project is discontinued, the State agency shall notify the regional representative, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information.

§ 401.96 Continuation grants for innovation projects; reports.

A progress report will be submitted annually in the form and containing the information prescribed by the Commissioner with the State's request for a continuation grant for the project. Such request for continuation will include a budget for the next year. The regional representative will review each application for a continuation grant and determine whether the project continues to meet the requirements for an innovation grant, and he will notify the State in writing of his finding. The final project report will be submitted not later than 90 days following termination of the project.

§ 401.97 Transition of extension and improvement projects to innovation projects.

(a) An extension and improvement project approved on or after July 1, 1965, may be financed under the provisions which apply to innovation projects, if it is determined that such extension and improvement project meets the criteria required of innovation projects.

(b) Notwithstanding any other provision of this subpart, payment for an extension and improvement project approved under section 3 of the Vocational Rehabilitation Act prior to November 8, 1965, may continue to be made out of the State's allotment for innovation grants for the length of time for which the project was originally approved and at the same rate of Federal financial participation as was in effect at the time of the project's approval, provided the project continues to meet the criteria for extension and improvement grants.

§ 401.98 Methods of computing and making payments.

The method of computing and paying amounts pursuant to § 401.92 shall be in accordance with provisions of § 401.73. The provisions of §§ 401.74 through 401.76 are also applicable to this subpart.

Subpart F—Grants for Expansion of Vocational Rehabilitation Services

§ 401.100 Purpose.

Under section 4(a)(2)(A) of the act, grants may be made to States, and public and other nonprofit organizations and agencies for the purpose of planning, preparing for and initiating special programs to expand vocational rehabilitation services where such programs show promise of substantially increasing the number of persons vocationally rehabilitated. Such grants may be made during the fiscal years ending June 30, 1966, through June 30, 1971.

§ 401.101 Application procedure.

Application for a grant under this program may be submitted by a duly authorized officer of a State vocational rehabilitation agency or other public or private nonprofit organizations or agency which is now providing or is capable of providing vocational rehabilitation services that will lead to the placement of the handicapped in gainful occupations. The application shall be made in the form and detail required by the Commissioner and shall be submitted to the regional representative of the Vocational Rehabilitation Administration. If the applicant is an organization or agency other than a State vocational rehabilitation agency, the application must have prior approval of the appropriate State vocational rehabilitation agency or agencies before submittal to the regional representative. Applicants (when other than a State vocational rehabilitation agency) shall secure prior consultation and assistance from the appropriate State vocational rehabilitation agency or agencies and the regional representative in the development of their proposals and the preparation of their applications.

Each applicant will be notified in writing of the action on its application.

§ 401.102 Application content.

The application shall (a) describe the organization that will conduct the activities, showing the nature and scope of its present vocational rehabilitation services and the numbers of State agency clients and others rehabilitated into gainful occupations in the past 2 years; (b) describe the specific activities to be undertaken, showing how these activities will increase directly the numbers of handicapped persons prepared for and placed in gainful occupations; (c) provide for qualified and adequate staff, including a project director, and adequate supervision to accomplish the purpose of the project; (d) in the case of a grant for a private, nonprofit workshop, specify that applicable Federal and State wage and hour standards will be observed or, in the case of a grant for a workshop operated by a State, county, or municipal government, give assurance that the workshop will comply with wage and hour standards specified by the Commissioner, which will be at least equal to those imposed by the Federal Fair Labor Standards Act; (e) specify the duration of the project; (f) set forth the budget for the project and the methods for meeting costs; (g) show plans for continuation of the project activity, if appropriate, including anticipated sources of funding, after expiration of the project grant; (h) describe arrangements for reporting to the State agency or agencies requested information regarding the persons served and those vocationally rehabilitated under the project; (i) contain an agreement to make such reports and to keep such records and accounts as the Commissioner may require and to make such records and accounts available for audit purposes; and (j) provide such other information as the Commissioner may find necessary to assure that the project meets requirement for approval.

§ 401.103 Project activities.

(a) Expansion projects may include but are not limited to such activities as the following, provided they will result in a substantial increase in the numbers of persons vocationally rehabilitated over the numbers currently being rehabilitated: (1) The demonstration of newly developed rehabilitation techniques and methods that have been found to be effective; (2) expansion and extension of present vocational rehabilitation services in order to serve additional disabled people; (3) the initiation of new vocational rehabilitation services or activities; (4) the initiation or expansion of vocational rehabilitation programs for groups of disabled individuals such as the homebound; (5) preparation and placement of handicapped individuals in self-employment; and (6) the employment of additional staff in workshops, rehabilitation facilities, and service programs.

(b) Expansion projects may not include: (1) Construction or substantial alteration of rehabilitation facilities, workshops, or other buildings, or the

acquisition of land; (2) research unless such activity is an essential component of a project primarily designed to provide services that will increase the numbers of handicapped individuals who will be vocationally rehabilitated; (3) staff training; or (4) activities designed primarily to improve administration unless it can be clearly shown that such improvement in administration will result directly in increased vocational rehabilitations.

§ 401.104 Federal financial participation.

The following conditions will govern Federal financial participation in approved expansion activities: (a) Federal financial participation will be available for only those expansion activities approved in the project application and only in the total amount approved in the project application; (b) Federal participation in any single expansion project shall be limited to a maximum of three (3) years; (c) the Federal share of the approved project costs shall not exceed 90 per centum; and (d) the respective Federal and grantee shares are not applied to separate parts of the project but are treated as total project expenditures. If the grantee is a State vocational rehabilitation agency, grants shall be made only if the Commissioner is satisfied that the State agency will comply with such conditions concerning the utilization of allotments and the expenditure of State funds as the Commissioner may find necessary to assure that State funds will be effectively used to earn allotments under section 2 of the act.

§ 401.105 Project revisions.

A revision to an approved project for expansion activity shall be submitted whenever necessary to reflect any material change in the scope of the project or in its operation or administration.

§ 401.106 Termination.

If for any reason the grantee discontinues an approved project, the grantee shall notify the regional representative and the State agency in writing, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information. The grant may be terminated, in whole or in part, at any time at the discretion of the Commissioner. The grantee and the State agency will be given prompt notice of the termination, including the reasons therefor. Such termination shall not affect obligations incurred prior to the termination of the grant. Upon termination or completion of a project, the proportion of unexpended funds attributable to the Federal grant shall be refunded.

§ 401.107 Grant awards.

All grant awards shall be in writing, shall set forth the amount of funds granted, and shall constitute for such amounts the encumbrance of Federal funds available for such purpose on the date of the award. The initial award shall also specify the project period for which support is contemplated if the activity is satisfactorily carried out and

Federal funds are available. For continuation support, grantees must make separate application in the form and detail required by the Commissioner.

§ 401.108 Reports.

In the case of any project a final activity report shall be submitted not later than ninety (90) days following termination of the project. A progress report shall also be submitted with each request for a continuation grant. Financial and other reports shall be submitted at the intervals prescribed by the Commissioner. All reports shall be submitted to the regional representative in the form and containing the information specified by the Commissioner, with a copy to the State agency.

§ 401.109 Payments.

Payment of the Federal share of an approved expansion project may be made in advance for estimated costs of operation, or as reimbursement to the grantee and shall be subject to such requirements as the Commission may establish.

§ 401.110 Distribution of funds.

Federal funds for expansion projects (except for a reserve for priority projects) will be distributed initially each year on the basis of population so that there will be opportunity in each State to plan for orderly expansion of vocational rehabilitation services and to submit approvable applications under this subpart. Funds may be redistributed from time to time during the year if they are not to be used within the State.

§ 401.111 Factors considered in evaluating proposals.

In evaluating proposals for expansion grants a number of factors will be considered by the Vocational Rehabilitation Administration, such as the following: The extent to which a project proposal will result in an increased number of persons vocationally rehabilitated; the merit of a proposal in relation to other expansion proposals in the State and in the region; the distribution of expansion projects among the States and regions and among various program areas, including disability groups; the amount of Federal funds available for support of expansion projects; and alternate sources of financing for the proposed project activities.

Subpart G—Grants for Comprehensive Statewide Planning for Vocational Rehabilitation Services

§ 401.120 Purpose.

Special project grants authorized in section 4(a)(2)(B) of the act shall be made for paying the cost of planning for the development of a comprehensive vocational rehabilitation program in each State, including the orderly development of services and resources (public and nonprofit private) so that by July 1, 1975, or sooner, vocational rehabilitation services will be available to all handicapped individuals in the State. This planning shall include, among other things, esti-

mates of present and projected vocational rehabilitation needs through 1975; assessment of the adequacy of present programs and resources in terms of present and projected needs; and delineation and description of the specific steps necessary for the development of adequate vocational rehabilitation resources and programs within the State.

§ 401.121 Coordination with other Statewide planning.

The comprehensive Statewide planning for vocational rehabilitation shall be coordinated with other planning in the State relative to the poverty stricken, the mentally ill, the mentally retarded, the expansion of educational services for the handicapped, the construction of rehabilitation facilities under the Medical Facilities Survey and Construction Act of 1954, the construction and expansion and operation of workshops and rehabilitation facilities under the Vocational Rehabilitation Act, and with such other planning as is pertinent to the provision of vocational rehabilitation services. The planning with respect to workshops and rehabilitation facilities shall utilize, to the maximum extent feasible, the efforts made under projects for which grants are made under Subpart H of this part.

§ 401.122 Organization for Statewide planning.

(a) A basic condition for the receipt of grants under this subpart is the designation by the Governor (or in the case of the District of Columbia, the Board of Commissioners) of an organization that acts for the State, has stature, and has responsibility to develop and carry out Statewide planning for the orderly development of vocational rehabilitation services adequate to meet the needs of handicapped individuals within the State. This organization shall be a Commission especially created for this planning, a legislative Commission, or a State agency whose primary role is Statewide planning or the provision of vocational rehabilitation services. If the organization designated by the Governor is not a State vocational rehabilitation agency, the State vocational rehabilitation agency, or agencies, shall be represented on the designated organization and shall be significantly involved in the conduct of the planning.

(b) The Commission or agency must include, or utilize an Advisory Committee that includes, representatives of the State legislature (except in the case of the District of Columbia); labor; management; medical and health-related organizations and institutions; the Governor's Committee on Employment of the Handicapped; education; the public and voluntary agencies providing rehabilitation services to the physically and mentally handicapped and other appropriate public agencies and civic groups interested in the development of rehabilitation services. Such representatives shall be outstanding leaders in their respective fields of endeavor.

(c) The Commission or agency shall designate a director or coordinator to be

responsible on a full-time basis, and shall have other adequate and competent staff, for conducting the Statewide planning program.

§ 401.123 Application.

Application for comprehensive planning grants may be submitted by the organization designated by the Governor. Application shall be made in the form and detail required by the Commissioner. The project application shall include: (a) A description of the organization responsible for the comprehensive Statewide planning; (b) provision for a full-time planning director or coordinator; (c) a description of the agencies, institutions, and organizations that will be involved in the planning and their respective roles; (d) a proposed budget; (e) a description of the scope and the manner in which Statewide planning will be carried out to achieve the orderly development of services and resources in the State (including vocational rehabilitation services provided by private nonprofit agencies) for making vocational rehabilitation services available to all handicapped individuals by July 1, 1975, or earlier; (f) a description of how the planning under the project will be coordinated with other pertinent planning; (g) an agreement to make such reports and to keep such records and accounts as the Commissioner may require, and to make such records available for audit purposes; (h) estimated duration of study; and (i) such other information or provisions as the Commissioner may require. Applications shall be submitted to the regional representative of the Vocational Rehabilitation Administration who is available for consultation and assistance to the State on all matters pertaining to the Statewide planning including the development of the application. Applicants will be notified in writing of the action taken with respect to their applications.

§ 401.124 Revisions.

An amendment to an approved application shall be submitted whenever necessary to reflect any substantial change in the scope of the Statewide planning or in its conduct or administration.

§ 401.125 Grant period.

The grant period shall begin on the date requested by the State in its application, except that it may not begin on a date earlier than the date on which the application is approved. The grant period shall be 1 year unless otherwise approved by the Vocational Rehabilitation Administration. The grantee must make separate application for continuation support beyond the grant period.

§ 401.126 Payments for Statewide planning.

An initial payment will be made soon after an application has been approved. Subsequent payments will be made when needed and requested by the State and in amounts sufficient to meet estimated costs of operating the project. The grant for any 1 fiscal year shall not exceed \$100,000 to any one State.

§ 401.127 Use of grant funds.

(a) Grant funds may be used for the following costs of carrying out Statewide planning activities: (1) Salaries including fringe benefits of full or part-time employees of the designated organization or other State agencies to the extent that they are approved in the applicant that they are assigned specifically to the planning and related activities approved in the application; (2) fees or honoraria for consultants who are not otherwise regular full-time employees of the State or Federal Government or federally sponsored projects (except that such full-time employees of institutions of higher learning may receive fees or honoraria in accordance with generally applicable policies of the institution and within limits specified by the Vocational Rehabilitation Administration); (3) travel costs of employees and consultants paid from the grant and of other persons rendering services to the project; (4) services provided to the project under contract with another agency or institution, as set forth in the approved application, to carry out parts of the Statewide planning activity; (5) supplies required to carry out approved activities during the grant period; (6) amounts actually paid for rental of space, equipment, or telephones, or for postage and supplies, required by the staff of the designated organization whose salaries are paid from grant funds or who are assigned or detailed to that organization for carrying out the approved activities; and (7) preparing, publishing and distributing reports and related information.

(b) Grant funds may not be used to pay for the following: (1) Costs of services for the handicapped; (2) purchase of equipment; (3) construction, alteration, or renovation of space; (4) overhead or indirect costs; or (5) any other costs not included in the approved application.

(c) Expenditures incurred for any category of expenditures (e.g., salaries, travel, supplies) shall not without approval of the Vocational Rehabilitation Administration exceed by more than 25 per centum or \$1,000 (whichever is greater) the amount approved for each such expenditure category.

§ 401.128 Termination.

If for any reason the grantee discontinues an approved project, the grantee shall notify the regional representative in writing, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information. The grant may be terminated, in whole or in part, at any time at the discretion of the Commissioner. The grantee will be given prompt notice of the termination, including the reasons therefor. Such termination shall not affect obligations incurred prior to the termination of the grant. Upon termination or completion of a project, the proportion of unexpended funds attributable to the Federal grant shall be refunded.

§ 401.129 Expenditure reports.

Reports of expenditures will be submitted in such form, detail and fre-

quency as prescribed by the Commissioner. The final expenditure report will show total cumulative expenditures through the completion of the project.

§ 401.130 Planning reports.

(a) Annual progress reports and such interim reports as required by the Commissioner on the progress achieved and the activities conducted shall be submitted by the State organization responsible for Statewide planning.

(b) The State organization shall submit to the Vocational Rehabilitation Administration through the Governor a comprehensive final report on its activities, findings, and recommendations on Statewide planning for vocational rehabilitation at such time and in such form and detail as the Commissioner may specify.

(c) As an essential means of achieving the objective of providing rehabilitation services to all handicapped persons by July 1, 1975, or earlier, the State shall publish and widely distribute the information contained in the final report to the groups and organizations participating in the planning, to other interested groups and to the public at large.

Subpart H—State Planning Grants for Workshops and Rehabilitation Facilities

§ 401.140 Purpose.

Planning grants authorized in section 12(g) (1) of the act shall be made for the purpose of paying part of the cost of organized efforts by the State vocational rehabilitation agencies to make an initial determination of the State's needs for workshops and rehabilitation facilities, and to provide for a continuing program for assessing such needs and evaluating activities for establishment, construction, utilization, development, and improvement of workshops and rehabilitation facilities.

§ 401.141 Single application.

A single application shall be made by any State for a grant for a State planning project for workshops and rehabilitation facilities. Application may be made at any time by the State vocational rehabilitation agency, or, in States in which there is a separate agency for the blind, by either agency, provided that the other agency in the State submits in writing an endorsement of the application indicating agreement with the objectives and program stated therein and support for the project.

§ 401.142 Joint planning by two or more States.

A State agency may, if it so desires, enter into an agreement with the vocational rehabilitation agencies of one or more other States to develop a cooperative plan for (a) determining the need for workshops and rehabilitation facilities and (b) a continuing program to assess such needs and evaluate activities related to the establishment, construction, utilization, development and improvement of workshops and rehabilitation facilities.

§ 401.143 Application content.

Applications shall be made in the form and detail required by the Commissioner and shall be submitted to the regional representative of the Vocational Rehabilitation Administration. Applicants are encouraged to secure prior consultation and assistance from their regional representative in the development of their proposals and the preparation of the applications. The project application for an initial grant under this subpart shall include (a) designation of an individual with primary responsibility for the implementation of the project activities; (b) a description of the nature and scope of the activities to be undertaken during the initial grant period, and during the remainder of the project period (up to July 1, 1970), and the methods to be used in accomplishing the purposes of the project; (c) a proposed budget; (d) a description of the number and qualifications of the staff to be assigned to carry out effectively the purposes of the project; (e) a description of the methods by which representatives from public and other nonprofit agencies interested in the establishment and utilization of workshops and rehabilitation facilities will be involved in the planning effort either as individual consultants or as an Advisory Council; (f) a description of how this planning effort will be closely coordinated with the Statewide planning provided for in subpart G and with other related planning in the State authorized under the Vocational Rehabilitation Act or other authority; (g) an agreement to make such financial and administrative reports and to keep such records and accounts as the Commissioner may require and to make such records and accounts available for audit purposes; (h) an agreement to submit a project report, hereinafter referred to as the workshops and rehabilitation facilities plan, to the regional representative at the termination of the initial State planning grant; and (i) such other information as the Commissioner may require.

§ 401.144 Duration of project.

A State planning project may extend for a period continuing up to July 1, 1970. Initial State planning grants for workshops and rehabilitation facilities shall be available for a 12-month period. Continuation planning grants shall be available for 12-month periods commencing with the termination of the initial grant or subsequent continuation grants. An application for a continuation grant shall include a proposed budget, an agreement to review and update the workshops and rehabilitation facilities plan, and such other provisions as the Commissioner may require.

§ 401.145 Workshops and rehabilitation facilities plan: content.

The State workshops and rehabilitation facilities plan shall include (a) an inventory of existing workshops and rehabilitation facilities within the State, or which can be readily utilized although located outside the State, and a descrip-

tion of services provided therein; (b) an evaluation of utilization patterns of existing workshops and facilities and their utilization potential; (c) a determination of needs for new workshops and rehabilitation facilities throughout the State including (1) relative needs on a geographical and disability basis, (2) a priority list of programmed projects over a short-range period, and (3) long-range goals through 1975; (d) a description of continuing activities of the State agency in the area of workshops and rehabilitation facilities as evidenced by anticipated programs under the Vocational Rehabilitation Act, the Medical Facilities Survey and Construction Act, the Mental Retardation Facilities and Community Mental Health Centers Construction Act, and other pertinent authority; (e) a description of continuing coordination of this planning with other planning activities within the State which involve workshops and rehabilitation facilities; and (f) such other information as the Commissioner may require.

§ 401.146 Federal financial participation.

Federal financial participation shall be available for salaries (including fringe benefits) of employees who are assigned full- or part-time specifically to the planning activities, cost of travel of project staff or consultants, fees or honoraria for special consultants who are not regular full-time employees of the State or the Federal Government or of federally sponsored projects (except that such full-time employees of institutions of higher learning may receive fees or honoraria in accordance with generally applicable policies of the institution and within limits specified by the Vocational Rehabilitation Administration), expenses attendant to the operation of an Advisory Council, services provided to the project under contract with planning organizations as set forth in the approved application, preparation and distribution of the State workshops and rehabilitation facilities plan and amendments, and such other costs as are set forth in the approved application. The amount of any grant under this subpart shall not exceed 90 per centum of the cost of the project and shall not be greater than \$75,000 for any one year. A minimum grant, the amount of which will be determined in the light of the Federal appropriation, shall be available for each year to any State which submits an acceptable application.

§ 401.147 Payments.

Payment of the Federal share of the costs of the State planning project shall be made quarterly, or for such other period as the Commissioner may determine, as an advance for estimated costs or as reimbursement to the grantee. The initial payment shall be made shortly after the application has been approved.

PART 402—PROJECT GRANTS AND ASSISTANCE FOR WORKSHOPS AND REHABILITATION FACILITIES

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AUTHORITY: The provisions of this Part 402 issued under sec. 7(b), 68 Stat. 658, 29 U.S.C. 37(b). Interpret and apply the Vocational Rehabilitation Act, as amended, 29 U.S.C. ch. 4, and Public Law 89-333, 79 Stat. 1282.

Subpart A—General

§ 402.1 Terms.

For the purposes of this subpart—

(a) The terms "Act," "Commissioner," "handicapped individual," "nonprofit," "rehabilitation facility," "Secretary," "State," "State agency," "State vocational rehabilitation agency," and "workshop" shall, except where the context indicates otherwise, have the same meanings as set forth in § 401.1 of this chapter.

(b) "Construction" includes construction of new buildings, acquisition of existing buildings, and expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such new, newly acquired, expanded, remodeled, altered, or renovated buildings.

§ 402.2 Non-Federal funds.

In the case of any project under this part for which Federal funds are granted to pay part of the cost, the matching grantee funds may not consist of other Federal funds or of non-Federal funds that are applied to match other Federal funds. No Federal financial assistance may be furnished under this part for activities for which payment is made under Part 401 of this chapter, Part 403 of this chapter, or other authority.

§ 402.3 Consultant fees.

Fees or honoraria for special consultants may not be paid in connection with activities under this part to individuals who are regular full-time employees of the State or the Federal Government or of federally sponsored projects, except that such full-time employees of institutions of higher learning may receive fees or honoraria in accordance with generally applicable policies of the institution and within the limits specified by the Vocational Rehabilitation Administration.

Subpart B—Project Development Grants

§ 402.10 Purpose.

Project development grants authorized in section 12(g)(2) of the act shall be made for the purpose of paying part of the cost of organized, identifiable activities which are undertaken for the program planning for, and the development of a project for the construction of a specific workshop or rehabilitation facility.

§ 402.11 Applications.

Applications for project development grants may be made at any time by public or other nonprofit agencies, institutions, or organizations which are either already operating or are studying the feasibility of developing a workshop or rehabilitation facility. Applications shall be made in the form and detail required by the Commissioner and shall include (a) a statement of the purpose of the project; (b) designation of a project director; (c) description of the na-

ture and scope of the activities of the applicant; (d) description of the nature and scope of the activities to be undertaken, the methods to be used in accomplishing the purpose and the planning staff available; (e) a proposed budget; (f) identification of community resources to be represented in the planning activity; (g) an agreement to make such financial and administrative reports and to keep such records and accounts as the Commissioner may require and to make such records and accounts available for audit purposes; and (h) such other information as the Commissioner may require.

§ 402.12 Consultation with and approval of application by State agency.

(a) The applicant shall be responsible for securing the advice and assistance of the appropriate State vocational rehabilitation agency or agencies in the development of an application. Applications shall be reviewed by the appropriate vocational rehabilitation agency or agencies for approval. Approved applications shall be forwarded to the regional representative for Vocational Rehabilitation Administration review for approval. The State agency shall indicate the relationship of the project to the purposes and priorities of the State workshops and rehabilitation facilities plan.

(b) Each applicant shall be notified in writing of the action on the application. Where applications are disapproved by the State agency, the applicant shall be notified by the State agency, giving the reasons for disapproval, and the State agency shall forward a copy of its letter to the Vocational Rehabilitation Administration.

§ 402.13 Duration of project.

Project development grants shall be awarded for specified periods of not more than 12 months. Project development grants may be extended for periods beyond 12 months only under unusual circumstances.

§ 402.14 Project reports.

The final project development grant report shall be submitted to the appropriate State vocational rehabilitation agency at the termination of the grant period, and shall document such planning studies as (a) the sources of potential clients and disability groups to be served in the facility; (b) the services to be provided in the facility and the proposed staffing plan; (c) the relationship of the proposed program to the programs of existing facilities and agencies in the area; (d) the participation of community planning agencies and community health, welfare and social service agencies in the planning effort and evidence of both program and financial support of these agencies for the new or expanded facility; (e) in the case of a workshop, the expected sources of industrial subcontracting or other types of work and evidence of the interest of representatives of industry and labor; (f) the anticipated relationship of the State vocational rehabilitation agency to the new program as agreed to by the State

agency; (g) proposed compliance with applicable safety and labor standards; and (h) a proposed plan for financing of construction and operation of the new or expanded facility.

§ 402.15 Federal financial participation.

Federal financial participation shall be available for salaries (including fringe benefits) of additional personnel assigned directly to the project; consultation fees or honoraria for special consultants; staff or consultant travel; expenditures for costs of volunteers in the project; preparation of the report; only such architectural planning as is incidental to program planning, but not including working drawings; and such other costs as are set forth in the approved application. The amount of a grant shall not exceed 90 per centum of the cost of the project.

§ 402.16 Payments.

Payment of the Federal share of the costs of the project shall be made quarterly, or for such other period as the Commissioner may determine, as an advance for estimated costs or as reimbursement to the grantee. The initial payment shall be made shortly after the application has been approved.

Subpart C—Grants for Construction of Workshops and Rehabilitation Facilities

§ 402.20 Purpose.

Under section 12 of the act, grants may be made to pay part of the cost of the construction of public or other nonprofit workshops and rehabilitation facilities. Construction of workshops and rehabilitation facilities may include construction of new buildings, acquisition of existing buildings, and expansion, remodeling, alteration, and renovation of existing buildings, and initial equipment of such newly acquired, expanded, remodeled, altered, or renovated buildings. The cost of construction of workshops and rehabilitation facilities may include the cost of architectural fees and acquisition of land in connection with construction, but may not include the cost of off-site improvement. Construction of a workshop may also include such construction as may be necessary to provide residential accommodations for use in connection with the rehabilitation of mentally retarded individuals and individuals with severe problems of mobility.

§ 402.21 Applications.

An application may be submitted at any time by a State vocational rehabilitation agency or any other public or nonprofit organization or agency which operates or proposes to operate a public or other nonprofit workshop or rehabilitation facility. Applications shall be made in the form and detail required by the Commissioner and, to the extent applicable, shall include (a) a detailed estimate of the cost of the project; (b) a description of applicant's financial resources for the project; (c) a description of both the applicant's existing and proposed program of services; (d) in the

case of a private, nonprofit workshop, a statement that applicable Federal and State wage and hour standards will be observed or, in the case of a workshop operated by a State, county or municipal government, a statement that the workshop will comply with wage and hour standards specified by the Commissioner, which will be at least equal to those imposed by the Federal Fair Labor Standards Act; (e) in the case of a workshop, a description of the expected sources of industrial subcontracting and other types of work; (f) a description of the existing and the proposed staffing plans; (g) a description of the relationships of the applicant agency to the State vocational rehabilitation agency or agencies and to other facilities and agencies in the community; (h) a description of community support for the project and preliminary project planning; (i) in the case of proposed acquisition of buildings or land, a statement as to its suitability for workshop or rehabilitation facility purposes and evidence of its value as determined by qualified assessors; (j) an itemized equipment list including all requested initial equipment; (k) a set of schematic drawings of the proposed project; and (l) such other information as the Commissioner may require.

§ 402.22 Assurances from applicant.

In addition to any other requirements imposed by law, each construction grant shall be subject to the condition that the applicant will furnish and comply with the following assurances. The Commissioner may, at any time, approve exceptions to those conditions and assurances where he finds that such exceptions are not inconsistent with the act and the purposes of the program:

(a) That the applicant has or will have a fee simple or such other estate or interest in the site, including necessary easements and rights-of-way, sufficient to assure for a period of not less than 50 years undisturbed use and possession for the purpose of the construction and operation of the facility.

(b) That the Commissioner's approval of the final working drawings and specifications, which conform to the standards of construction and equipment, specified by the Commissioner, and comply with regulations of the Secretary of Labor relating to safety standards, will be obtained before the project is advertised or placed on the market for bidding.

(c) That the applicant will perform actual construction work by the lump-sum (fixed price) contract method; employ adequate methods of obtaining competitive bidding prior to awarding the construction contract, either by public advertising or circularizing three or more bidders; and award the contract to the responsible bidder submitting the lowest acceptable bid.

(d) That applicant will enter into no construction contract or contracts for the project or a part thereof, the cost of which is in excess of the estimated cost approved in the application for that portion of the work covered by the plans and specifications, without the prior approval of the Commissioner.

(e) That applicant will submit to the Commissioner for prior approval changes that substantially alter the scope of work, function, utilities or safety of the facility.

(f) That applicant will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications.

(g) That applicant will maintain adequate and separate accounting and fiscal records and accounts for all funds provided from any source to pay the cost of the project, and permit audit of such records and accounts at any reasonable times.

(h) That applicant will furnish progress reports and such other information as the Commissioner may require.

(i) That applicant will provide and maintain competent and adequate architectural or engineering supervision and inspection at the construction site to insure that the completed work conforms with the approved plans and specifications.

(j) That sufficient funds will be available to meet the non-Federal share of the cost of construction. Availability of funds for the non-Federal share of construction costs shall mean (1) funds immediately available, placed in escrow, or acceptably pledged, or (2) funds or fund sources specifically earmarked in a sum sufficient for that purpose, or (3) other assurances acceptable to the Commissioner.

(k) That sufficient funds will be available, when construction of the project is completed, for its effective use as a workshop or rehabilitation facility as evidenced by a proposed operating budget for the 2-year period immediately following completion of the project.

(l) (1) That any laborer or mechanic employed by any contractor or subcontractor in the performance of work on the construction of the facility will be paid wages at rates not less than those prevailing on similar construction in the locality as determined under the Davis-Bacon Act (40 U.S.C. 276 et seq.) and will receive compensation at a rate not less than one and one-half times his basic rate of pay for all hours worked in any workweek in excess of 8 hours in any calendar day or 40 hours in the workweek (40 U.S.C. 327-332); and

(2) That the following conditions and provisions will be included in all construction contracts:

(i) Provisions pertaining to the Copeland Act (Anti-Kickback) Regulations and Labor Standards (prevailing rates of pay and overtime requirements) except in the case of contracts in the amount of \$2,000.00 or less.

(ii) The contractor shall furnish performance and payment bonds, each of which shall be in the full amount of the contract price, and shall maintain, during the life of the contract, adequate fire, workmen's compensation, public liability and property damage insurance.

(iii) Representatives of the Commissioner will have access at all reasonable times to work wherever it is in preparation or progress, and the contractor shall

provide proper facilities for such access and inspection.

(m) That the facility will be operated and maintained in accordance with the minimum standards prescribed by the appropriate State regulatory agency for the maintenance and operation of such facilities.

(n) That the grantee will incorporate, or cause to be incorporated, into construction contracts paid for in whole or in part with funds obtained from the Federal Government under this subpart, such provisions on nondiscrimination in employment as are required by and pursuant to Executive Order No. 11246, and that the grantee will otherwise comply with requirements prescribed by and pursuant to such order.

(o) That, for a period of not less than 20 years after the completion of construction of the project, it will be used as a public or other nonprofit workshop or rehabilitation facility.

(p) That the applicant will conform to all the regulations of this subpart.

§ 402.23 Approval of State agency.

(a) The applicant shall be responsible for securing the advice and assistance of the appropriate State vocational rehabilitation agency or agencies. Each application shall be reviewed by the appropriate State vocational rehabilitation agency or agencies for approval. Approved applications shall be forwarded to the regional representative for Vocational Rehabilitation Administration review for approval.

(b) The approval by the State vocational rehabilitation agency or agencies shall contain or be accompanied by a statement indicating the relationship of the project to the purposes and priorities established in the State workshops and rehabilitation facilities plan, and the manner and extent to which the project will increase the scope and effectiveness of rehabilitation programs within the State with specific reference to the program of the State agency or agencies.

(c) Each applicant shall be notified in writing of the action on the application. Where applications are disapproved by the State agency, the applicant shall be notified by the State agency, giving the reasons for disapproval, and the State agency shall forward a copy of its letter to the Vocational Rehabilitation Administration.

§ 402.24 Amendment to an approved application.

Any amendment to an approved application resulting in a substantial change, shall be processed in the same manner as original applications. No such changes shall be put into effect without the approval of the Commissioner.

§ 402.25 Distribution of funds.

Federal funds available for construction projects will be distributed initially each year to each region on the basis of population. Opportunity will be given for the submittal of approvable applications from within each State. Funds may be redistributed from time to time

during the year if they are not to be used within the region.

§ 402.26 Factors considered in evaluating proposals.

In approving applications, the Commissioner will give consideration to the availability of workshops and rehabilitation facilities and other pertinent factors. With respect to rehabilitation facilities, preference will be given to those which are primarily vocationally oriented, as contrasted with those which are primarily medically oriented.

§ 402.27 Federal financial participation.

(a) The amount of a grant with respect to any construction project shall be equal to the same percentage of the cost of the project as the Federal share which would be applicable in the case of a rehabilitation facility (as defined in sec. 625(g) of the Public Health Service Act, 42 U.S.C. 291o(g)) in the same location.

(b) Federal funds will be available for the following types of expenditures under projects approved by the Commissioner: (1) Costs of construction contracts; (2) architects' fees; (3) acquisition of land; (4) acquisition of existing buildings; (5) site survey and soil investigation; (6) supervision and inspection at the site; (7) fixed equipment; (8) movable equipment; and (9) other costs specifically approved in the application.

(c) Federal funds shall not be available for the costs of off-site improvements.

§ 402.28 Construction payments.

Payments will be made on the basis of a certification by a qualified individual as to the amounts due the applicant for the cost of work performed and materials and equipment furnished. Such certification shall be based on adequate inspections to determine that the work has been performed upon a project or purchases have been made in accordance with the approved plans and specifications. Payments shall be made at periodic intervals consistent with the construction progress of the project. In extraordinary circumstances when necessary to maintain construction progress, advance payments may be made. Final payment shall not be made until after the completion of the project.

§ 402.29 Construction standards.

Approved projects shall be constructed according to general standards of construction and equipment for workshops and rehabilitation facilities prescribed by the Commissioner under this program. Applicable State and local rules and regulations must be observed. The Commissioner's standards must be followed where they exceed any State and local codes and regulations.

§ 402.30 Recovery: good cause for other use of facility.

(a) If, within 20 years after completion of any construction project for which funds have been paid under this section, the workshop or rehabilitation facility shall cease to be a public or other

nonprofit workshop or rehabilitation facility, the United States shall be entitled to recover from the applicant or other owner of the workshop or facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the U.S. district court for the district in which such workshop or facility is situated) of the workshop or facility, as the amount of the Federal participation bore to the cost of construction of such workshop or facility.

(b) In determining whether there is good cause for releasing the applicant or other owner of the facility from its obligation, the Commissioner shall take into consideration the extent to which:

- (1) The facility will be devoted by the applicant or other owner to use for another public or nonprofit purpose which will promote the purpose of the act; or
- (2) There are reasonable assurances that for the remainder of the 20-year period other public or nonprofit facilities not previously utilized for the purpose for which the facility was constructed will be so utilized and are substantially equivalent in nature and extent for such purposes.

Subpart D—Initial Staffing Grants

§ 402.40 Purpose.

Initial staffing grants authorized in section 12(f) of the act shall be made for the purpose of paying part of the costs of compensation of the initial professional and technical staff of any public or nonprofit workshop or rehabilitation facility constructed after November 8, 1965.

§ 402.41 Professional and technical staff.

Professional and technical staff for purposes of this section shall include such staff as workshop directors, placement specialists, foremen, floor supervisors, vocational instructors, physicians, nurses, psychologists, social workers, vocational evaluators, vocational counselors, physical therapists, occupational therapists, speech and hearing pathologists, administrators, special educators, business managers, medical record librarians, aides in professional fields, and staff in such other positions as the Commissioner may approve.

§ 402.42 Construction of workshops or rehabilitation facilities.

Initial staffing grants may be made only with respect to operation of a workshop or rehabilitation facility following construction. Preference shall be given to the staffing of workshops and rehabilitation facilities constructed with assistance under Subpart C of this part. Where the workshop or facility was in operation prior to construction, an initial staffing grant shall be made only for additional staff which enables the workshop or facility to provide new services or extend existing services to a substantially increased number of clients. Remodeling, renovation or alteration of existing rehabilitation facilities and workshops shall be extensive enough to indicate clearly the addition of new

services or the extension of existing services to a substantially increased number of clients. If the requirements for a grant are met in each instance, there shall be no maximum number of initial staffing grants for which a workshop or facility may be eligible.

§ 402.43 Applications.

The application for initial staffing grants may be made prior to the commencement of operation of a workshop or rehabilitation facility or during the 15-month period following the commencement of operation of the workshop or rehabilitation facility. Applications shall be in the form and detail required by the Commissioner. The project application shall include (a) a narrative description of the workshop's or rehabilitation facility's existing program services and staff, (b) a list of job titles and job specifications of staff positions for which assistance is requested, (c) estimates of salary needs for initial 15 months of assistance and for the following 3-year period, (d) a financial statement for the most recent year of operation, (e) a narrative description of the need for personnel, (f) a narrative description of the related construction project, (g) evidence of new services or of the extension of services to an additional number of clients, (h) a description of the workshop's or rehabilitation facility's plans for assuming the full cost of staffing at the termination of the grant, (i) in the case of a grant for a private, nonprofit workshop, assurance that applicable Federal and State wage and hour standards will be observed or, in the case of a grant for a workshop operated by a State, county or municipal government, assurance that the workshop will comply with wage and hour standards specified by the Commissioner, which will be at least equal to those imposed by the Federal Fair Labor Standards Act, (j) assurance that the workshop or rehabilitation facility meets safety standards specified by the Commissioner, (k) assurance that salaries are commensurate with the duties performed, (l) proposed starting date for the staffing project, (m) an agreement to make such financial and administrative reports and to keep such records and accounts as the Commissioner may require and to make such records and accounts available for audit purposes, and (n) such other information as the Commissioner may require. Initial staffing grant applications may be submitted either in conjunction with a construction grant application or independently.

§ 402.44 Approval of State agency.

(a) The applicant shall be responsible for securing the advice and assistance of the appropriate State vocational rehabilitation agency or agencies. Each application shall be reviewed by the appropriate State vocational rehabilitation agency or agencies for approval. Approved applications shall be forwarded to the regional representative for Vocational Rehabilitation Administration review for approval.

(b) The approval by the State vocational rehabilitation agency or agencies shall contain or be accompanied by a statement indicating the relationship of the project to the purposes and priorities established in the State workshops and rehabilitation facilities plan and shall indicate the manner and extent to which the project will increase the scope and effectiveness of rehabilitation programs within the State with specific reference to the program of the vocational rehabilitation agency.

(c) Each applicant shall be notified in writing of the action on the application. Where an application is disapproved by the State agency, the applicant shall be notified by the State agency, giving the reasons for disapproval, and the State agency shall forward a copy of its letter to the Vocational Rehabilitation Administration.

§ 402.45 Federal financial participation.

The amount of Federal financial participation under an initial staffing grant shall be related directly to the date of the commencement of the operation of the workshop or rehabilitation facility. The date of commencement of operation of a workshop or rehabilitation facility shall be that date on which the first client is admitted for services after the completion of the related construction project or such earlier date after completion of such project as is specified in the approved application for the initial staffing grant. A grant shall not exceed 75 per centum of eligible compensation costs (including salary and fringe benefits) for the period ending with the close of the 15th month following the month in which such operation commenced, 60 per centum of such costs for the first year thereafter, 45 per centum of such costs for the second year thereafter, and 30 per centum of such costs for the third year thereafter.

§ 402.46 Payments.

Payment of the Federal share of the costs of the initial staffing project shall be made quarterly, or for such other period as the Commissioner may determine, as an advance for estimated costs or as reimbursement to the grantee. The initial payment shall be made shortly after the application has been approved.

§ 402.47 Termination.

If for any reason the grantee discontinues an approved project, the grantee shall notify the regional representative and the State agency in writing, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information. The grant may be terminated, in whole or in part, at any time at the discretion of the Commissioner. The grantee and the State agency will be given prompt notice of the termination, including the reasons therefor. Such termination shall not affect obligations incurred prior to the termination of the grant. Upon termination or completion of a project, the proportion of unexpended funds attributable to the Federal grant shall be refunded.

Subpart E—Workshop Improvement Grants

§ 402.50 Purpose.

Workshop improvement grants authorized in section 13(b) of the act shall be made for paying part of the cost of projects for workshops to analyze, improve, and increase their professional services to the handicapped, their business management or any other part of their operations affecting their capability to provide employment and services for the handicapped.

§ 402.51 Eligible applicants.

Any public or other nonprofit workshop which has been in operation for at least 12 months (or an organization directly responsible for operation of such a workshop) shall be eligible to apply for a workshop improvement grant. Every application shall demonstrate a reasonable expectation that the grant will enable the workshop to make substantial progress towards meeting the standards of the Commissioner developed with the advice of the National Policy and Performance Council. In the case of workshops already meeting such standards of the Commissioner, the application shall demonstrate a reasonable expectation that the grant will make possible substantial improvement in the services of the workshop.

§ 402.52 Applications.

Applications for workshop improvement grants may be made at any time. Applications shall be made in the form and detail required by the Commissioner. The project application shall include (a) a detailed description of existing needs for improvement; (b) a statement of the extent to which the workshop improvement grant will make possible such improvement; (c) a proposed project budget; (d) in the case of a grant for a private, nonprofit workshop, assurance that applicable Federal and State wage and hour standards will be observed or, in the case of a grant for a workshop operated by a State, county or municipal government, assurance that the workshop will comply with wage and hour standards specified by the Commissioner, which will be at least equal to those imposed by the Federal Fair Labor Standards Act; (e) assurance that the workshop meets safety standards prescribed by regulations of the Secretary of Labor; (f) an agreement to make such administrative and financial reports and to keep such records and accounts as the Commissioner may require and to make such records and accounts available for audit purposes; (g) a description of plans for maintaining the improvement after the expiration of the period of Federal assistance; and (h) such other information as the Commissioner may require. Applications for grants for salary assistance shall also include (i) a description of how existing staff are and will be utilized; (j) description of qualifications and utilization of additional staff; and (k) assurance that salaries of staff as-

sisted through the grant will be commensurate with the duties performed.

§ 402.53 Technical assistance consultation.

The Commissioner may require that a technical assistance consultation precede the award of any workshop improvement grant in the amount of \$5,000 or more. Such consultation shall be performed by a consultant acceptable to both the Commissioner and the appropriate State agency.

§ 402.54 Review by State agency.

(a) The applicant shall be responsible for securing the advice and assistance of the appropriate State vocational rehabilitation agency or agencies. Each application shall be reviewed by the appropriate State vocational rehabilitation agency or agencies prior to forwarding to the regional representative for Vocational Rehabilitation Administration review for approval.

(b) The State vocational rehabilitation agency or agencies shall indicate its recommendations for approval or disapproval, which shall contain or be accompanied by a statement indicating the relationship of the project to the purposes and priorities established in the State workshops and rehabilitation facilities plan and shall indicate the manner and extent to which the project will increase the scope and effectiveness of rehabilitation programs within the State with specific reference to the program of the vocational rehabilitation agency.

(c) Each applicant shall be notified in writing of the action on the application, by the Vocational Rehabilitation Administration.

§ 402.55 Federal financial participation.

Federal financial participation shall be available for the following types of expenditures under approved projects: (a) Staff salary assistance (including fringe benefits) in the employment of additional staff; (b) staff development activities, including educational leave; (c) studies by a recognized expert or consultant concerning the professional or business practices within the workshop; (d) purchase or rental of equipment; and (e) other forms of assistance to workshops to carry out the purposes of this subpart as may be approved in the application. Federal financial participation shall not be available to pay costs of acquiring, constructing, expanding, remodeling or altering any building. Federal participation shall not exceed 90 per centum of the total project cost.

§ 402.56 Grant awards.

All grant awards shall be in writing, shall set forth the amount of funds granted, and shall constitute for such amounts the encumbrance of Federal funds available for such purpose on the date of the award. The initial award shall also specify the project period (not in excess of 3 years) for which support is contemplated if the activity is satisfactorily carried out and Federal funds are available. For continuation support, grantees must make separate application

in the form and detail prescribed by the Commissioner.

§ 402.57 Distribution of funds.

Federal funds available for workshop improvement grants will be distributed initially each year to each region on the basis of population, with a view to making grants available for workshops in each State. Funds may be redistributed from time to time during the year if they are not to be used within the region.

§ 402.58 Payments.

Payments of the Federal share of the cost of the workshop improvement project shall be made quarterly, or for such other period as the Commissioner may determine, as an advance for estimated costs or as reimbursement to the grantee. The initial payment shall be made shortly after the application has been approved.

§ 402.59 Reports.

The grantee shall submit to the regional representative and to the State agency periodic activity reports describing the effect of the grants in improving the workshop. Financial, administrative and activity reports shall be submitted in the form and at the intervals prescribed by the Commissioner.

§ 402.60 Termination.

If for any reason the grantee discontinues an approved project, the grantee shall notify the regional representative and the State agency in writing, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information. The grant may be terminated, in whole or in part, at any time at the discretion of the Commissioner. The grantee and the State agency will be given prompt notice of the termination, including the reasons therefor. Such termination shall not affect obligations incurred prior to the termination of the grant. Upon termination or completion of a project, the proportion of unexpended funds attributable to the Federal grant shall be refunded.

Subpart F—Technical Assistance to Workshops

§ 402.65 Furnishing of technical assistance.

Technical assistance authorized in section 13(c) of the act will be furnished, directly, or by contract with State vocational rehabilitation agencies or experts or consultants or groups thereof to provide technical assistance and consultation to public and other nonprofit workshops. Such technical assistance will be in such areas as plant layout, contract procurement, wage standards, industrial engineering, systems accounting, planning for efficient production on new contracts, work simplification, labor relations, quality control, and the provision of professional services. A workshop desiring technical assistance shall make its request through the appropriate State vocational rehabilitation agency.

§ 402.66 Recommendations and reports.

A workshop which receives technical consultation will be furnished with the recommendations of the consultant. A copy of the recommendations will also be furnished to the appropriate State agency. The workshop will be expected to give a prompt report concerning the consultation and a report 6 months afterwards as to what has been done about the recommendations.

Subpart G—National Policy and Performance Council

§ 402.70 Appointment and composition.

The National Policy and Performance Council shall consist of 12 members not otherwise in the full-time regular employ of the United States and appointed by the Secretary without regard to civil service laws. The Secretary shall, from time to time, appoint one of the members to serve as chairman. The appointed members shall be selected from among leaders in the vocational rehabilitation and workshop fields, State and local government, business and from among representatives of related professions, labor leaders and the general public.

§ 402.71 Term of office.

Each appointed member shall hold office for a term of 4 years except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term; and except that, of the members first appointed, three shall hold office for a term of 3 years, three shall hold office for a term of 2 years, and three shall hold office for a term of 1 year, as designated by the Secretary at the time of appointment. No member of the Council shall be eligible for reappointment until a year has elapsed after the end of his preceding term.

§ 402.72 Duties.

The Council shall (a) advise the Commissioner with respect to the policies and criteria to be used in determining whether or not to make grants for projects for training services under Subpart H of this part; (b) make recommendations with respect to workshop improvement and the extent to which the program under Subpart E of this part is effective in accomplishing its purpose; and (c) perform such other services with respect to workshops as the Commissioner may request. The Commissioner shall make available to the Council such technical, administrative and other assistance as it may require to carry out its functions.

§ 402.73 Per diem payments.

Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council, shall be entitled to receive compensation at a rate to be fixed by the Secretary, but not exceeding \$100.00 per day including travel time, and while so serving away from their homes

or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the government service employed intermittently.

Subpart H—Grants for Projects for Training Services

§ 402.75 Purpose.

Under section 13(a) of the act, grants may be made during the period July 1, 1966, through June 30, 1971, to States and public and other nonprofit organizations and agencies to pay 90 per centum of the cost of projects for providing training services, leading to gainful employment, to handicapped individuals in public or other nonprofit workshops and rehabilitation facilities.

§ 402.76 Future regulations.

One of the functions of the National Policy and Performance Council (see Subpart G of this part) is to advise the Secretary with respect to the policies and criteria to be used in determining whether or not to make grants for training services. Accordingly, regulations governing such grants will be prepared at a later date, after the National Policy and Performance Council has been organized and had an opportunity to make its recommendations.

PART 403—RESEARCH AND TRAINING

Subpart A—General

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- 403.2 Non-Federal funds.
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Subpart B—Grants for Special Projects Under Section 4(a)(1) of the Act

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RESEARCH FELLOWSHIPS

- 403.40 Eligibility.
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Subpart E—Intramural Research and Information

- 403.50 Intramural research.
- 403.51 Information service.

AUTHORITY: The provisions of this Part 403 issued under sec. 7(b), 68 Stat. 658, 29 U.S.C. 37(b). Interpret and apply the Vocational Rehabilitation Act, as amended, 29 U.S.C. ch. 4, and Public Law 89-333, 79 Stat. 1282.

Subpart A—General

§ 403.1 Terms.

For purposes of this subpart, the terms "act," "Commissioner," "demonstration," "handicapped individual," "Secretary," "State," "State agency," "State vocational rehabilitation agency," and "vocational rehabilitation services" shall, except where the context indicates otherwise, have the same meanings as set forth in § 401.1 of this chapter.

§ 403.2 Non-Federal funds.

In the case of any project under this part for which Federal funds are granted to pay part of the cost, the matching grantee funds may not consist of other Federal funds or of non-Federal funds that are applied to match other Federal funds. No Federal financial assistance may be furnished under this part for activities for which payment is made under Part 401 of this chapter, part 402 of this chapter, or other authority.

§ 403.3 Consultant fees.

Fees or honoraria for special consultants may not be paid in connection with activities under this part to individuals who are regular full-time employees of the State or the Federal Government or of federally sponsored projects, except that such full-time employees of institutions of higher learning may receive fees or honoraria in accordance with generally applicable policies of the institution and within limits specified by the Vocational Rehabilitation Administration. This section shall be applicable to awards of funds made after the publication of these regulations.

§ 403.4 Audit and review.

(a) All fiscal transactions relating to Federal financial assistance under this part are subject to audit by the Department of Health, Education, and Welfare to determine whether or not expenditures have been made in accordance with the act, the regulations, and other requirements.

(b) From time to time members of the staff of the Vocational Rehabilitation Administration review administrative, fiscal and program methods and practices in connection with activities under this part, and make constructive suggestions for the improvement of such methods and practices.

Subpart B—Grants for Special Projects Under Section 4(a)(1) of the Act

§ 403.10 Purpose.

Special project grants authorized in section 4(a)(1) of the act shall be made for the purpose of paying part of the cost of organized, identifiable activities which are undertaken to seek solutions to vocational rehabilitation problems common to all or several States, or to contribute to the development of more effective vocational rehabilitation services in all or several States. Types of projects for which such grants may be made are: (a) Research in vocational rehabilitation; (b) demonstration programs in rehabilitation; (c) training, including education of personnel in all fields or disciplines which contribute to vocational rehabilitation, through provision of training, teaching or traineeship grants. Grants for training and traineeships may include training and traineeships in physical medicine and rehabilitation, physical therapy, occupational therapy, speech pathology and audiology, rehabilitation nursing, rehabilitation social work, prosthetics and orthotics, rehabilitation psychology, rehabilitation counseling, recreation for the ill and handicapped, and other specialized fields contributing to vocational rehabilitation; and (d) establishment of special rehabilitation facilities or services meeting the purpose specified in section 4(a)(1) of the act. See also §§ 403.25 and 403.26 regarding rehabilitation research and training centers program.

§ 403.11 Applications.

Applications for special project grants may be made at any time by State vocational rehabilitation agencies and by other public or nonprofit agencies and institutions, including universities and other educational institutions. Applications shall be made in the form and detail required by the Commissioner. The project application shall cover (a) a statement of the purpose of the project; (b) designation of an individual as director-in-charge; (c) a description of the nature and scope of the activities to be undertaken and methods to be used in accomplishing the purpose; (d) a proposed budget; (e) an agreement to safeguard personal information pertaining to individuals served or studied under the project; (f) an agreement to make such reports and to keep such records and accounts including property and financial controls, as the Commissioner may require, and to make such records available for audit purposes; and (g) such other information as the Commissioner may require. See also §§ 403.23 and 403.24.

§ 403.12 Approval of applications for special projects for research, demonstration, or establishment of special facilities or services.

Application for grants for paying part of the cost for a special project for research, demonstration, or establishment of special facilities or services may be made only upon an official application form which may be obtained from the Assistant Commissioner for Research and Training, Vocational Rehabilitation Administration, Department of Health, Education, and Welfare, Washington, D.C., 20201. Completed applications are submitted to the Assistant Commissioner for Research and Training, who processes them with the assistance of advisory groups for submission to the National Advisory Council on Vocational Rehabilitation. (See Subpart C of this part.) The applicant may be requested to submit further information either before or after consideration of a project by the National Advisory Council on Vocational Rehabilitation. All projects which meet the requirements for a grant are submitted to the Council which makes recommendations to the Commissioner. The Commissioner then determines the action to be taken with respect to each project and informs the applicant accordingly.

§ 403.13 Approval of applications for training or traineeships.

Application for grants for paying a part of the cost of a special project for training or traineeships may be made only upon an official application form which may be obtained from the Assistant Commissioner for Research and Training, Vocational Rehabilitation Administration, Department of Health, Education, and Welfare, Washington, D.C., 20201. Completed applications are submitted to the Assistant Commissioner for Research and Training who processes and evaluates them with the assistance of advisory groups. The applicant may be requested to submit further information. When all pertinent information has been obtained, a determination of the action to be taken is made by the Assistant Commissioner for Research and Training who notifies the applicant accordingly.

§ 403.14 Approval of State agency.

The approval of the appropriate State vocational rehabilitation agency shall be secured by the applicant, if other than the State agency, for any special project which involves either direct services to handicapped individuals or the establishment of facilities which will render direct services to handicapped individuals of that State.

§ 403.15 Federal financial participation.

Federal financial participation will be available for the following types of expenditures under projects approved by the Commissioner: (a) Salaries, cost of travel, and related expenses of project personnel; (b) necessary supplies, equipment, and related expenses; (c) purchase or provision of vocational rehabilitation

services to individuals served by the project; and (d) costs of administration and other indirect costs of the project, subject to such limitations as the Commissioner may establish. Expenditures under the project shall be in connection with the conduct of the project as approved. Federal funds may not be used to provide training to any individual in any one course of study extending for more than 4 years. Federal funds may be used for traineeships only for individuals who are citizens of the United States or who have been lawfully admitted for permanent residence to the United States.

§ 403.16 Grant awards.

All grant awards shall be in writing, shall set forth the amount of funds granted, and shall constitute for such amounts the encumbrance of Federal funds available for such purpose on the date of the award. The initial award shall also specify the project period for which support is contemplated if the activity is satisfactorily carried out and Federal funds are available. For continuation support, grantees must make separate application in the form and detail required by the Commissioner.

§ 403.17 Payments.

Payment of the Federal share of an approved special project may be made in advance for estimated costs of operation, or as reimbursement to the grantee and shall be subject to such requirements as the Commissioner may establish.

§ 403.18 Revisions.

A project grantee shall request that the project be revised whenever the approved plan of operation or method of financing is materially changed. Revisions originating with the grantee shall be submitted in writing and will be given appropriate review. Project revisions may be initiated by the Commissioner if, on the basis of reports, it appears that Federal funds are not being used effectively, or if changes are made in Federal appropriations, laws, regulations, or policies governing special projects.

§ 403.19 Confidential information.

(a) All information as to personal facts given or made available to any organization, its representatives or its employees under a special project grant authorized under this part, including lists of names and addresses and records of evaluation, shall be held to be confidential.

(b) The use of such information and records shall be limited to purposes directly connected with the project and may not be disclosed, directly or indirectly, other than in the administration thereof, unless the consent of the agency providing the information and the individual to whom the information applies has been obtained in writing. The final product of the project will not reveal any information that may serve to identify any person about whom information has been obtained without his written consent.

§ 403.20 Termination.

If for any reason the grantee discontinues an approved project, the grantee shall notify the Commissioner in writing, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information. The grant may be terminated, in whole or in part, at any time at the discretion of the Commissioner. The grantee and the State agency will be given prompt notice of the termination, including the reasons therefor. Such termination shall not affect obligations incurred prior to the termination of the grant. Upon termination of completion of a project, the proportion of unexpended funds attributable to the Federal grant shall be refunded.

§ 403.21 Patents.

Any invention arising out of the activities assisted by the grant shall be promptly and fully reported to the Vocational Rehabilitation Administration. Ownership and the manner of disposition of all rights in and to such invention shall be determined by the Commissioner, in accordance with patent regulations and policy of the Department of Health, Education, and Welfare. The Vocational Rehabilitation Administration should be advised promptly prior to a grant award by the applicant (or grantee) of any commitment, obligation, or condition which would or could be an obstacle to the applicant's (or grantee's) fulfillment of this requirement.

§ 403.22 Publications and copyright policy.

Grantees may publish results of any activity assisted by the grant without prior review by the Vocational Rehabilitation Administration: *Provided*, That such publications carry a footnote acknowledging the assistance received under the grant, and that copies of the publications are furnished to the Vocational Rehabilitation Administration. Where a grant results in a book or other copyrightable material, the author is free to copyright the work, but the Vocational Rehabilitation Administration reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrightable or copyrighted material resulting from the grant-supported activity.

§ 403.23 Wage and hour standards for workshops.

Applications for grants for workshops under this subpart shall, in the case of a private, nonprofit workshop, specify that applicable Federal and State wage and hour standards will be observed or, in the case of a workshop operated by a State, county, or municipal government, give assurance that the workshop will comply with wage and hour standards specified by the Commissioner, which will be at least equal to those imposed by the Federal Fair Labor Standards Act.

§ 403.24 Nondiscrimination in employment under construction contracts.

Applications for grants under this subpart which provide for construction shall

specify that the grantee will incorporate, or cause to be incorporated, into construction contracts paid for in whole or in part with funds obtained from the Federal Government under this subpart, such provisions on nondiscrimination in employment as are required by and pursuant to Executive Order No. 11246 and will otherwise comply with requirements prescribed by and pursuant to such order.

§ 403.25 Rehabilitation research and training centers program; scope.

(a) Special project grants under section 4(a)(1) of the act are also made for paying part of the cost of identified research and training activities carried on through rehabilitation research and training centers. Such activities must be part of a continuing program of coordinated, scientific research and professional and technical training designed to solve complex problems regarding management of disabling conditions and preparation of the handicapped for employment.

(b) Support may be given for center programs which emphasize the medical management of disabling conditions, the adjustment to limitations to function, the individual and environmental preparation necessary for the employment of the handicapped, or combinations of these activities. In carrying out program objectives, centers may serve populations that are mixed or that derive from a categorical disability group requiring specialized knowledge and techniques.

§ 403.26 Rehabilitation research and training centers program: applicable rules.

(a) *Grantees.* Universities having well-recognized programs of research and training and State vocational rehabilitation agencies or public or private nonprofit comprehensive rehabilitation centers or institutions associated with such universities, may apply for center grants. The center program must have a separate organizational identity.

(b) *Applications.* The application shall cover the proposed research, training and service activities, specify how these functions will form a unified center program, and contain such other information as the Commissioner may require.

(c) *Other provisions.* The provisions of §§ 403.10-403.24 shall apply to grants for rehabilitation research and training centers.

Subpart C—National Advisory Council on Vocational Rehabilitation

§ 403.28 National Advisory Council on Vocational Rehabilitation.

(a) *Appointment and composition.* The National Advisory Council on Vocational Rehabilitation shall consist of the Secretary (or his designee) as Chairman, and 12 members appointed by the Secretary without regard to civil service laws. The 12 appointed members shall be leaders in fields concerned with vocational rehabilitation or in public affairs, and 6 of such 12 shall be selected from leading medical, educational, or scientific authorities who are outstanding for their work in the vocational rehabilita-

tion of handicapped individuals. Three of the 12 appointed members shall be persons who are themselves handicapped.

(b) *Term of office.* Each appointed member of the Council shall hold office for a term of 4 years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor is appointed shall be appointed for the remainder of such term. None of such 12 members shall be eligible for reappointment until a year has elapsed after the end of his preceding term.

(c) *Duties.* The Council is authorized to review applications for special projects submitted under section 4(a)(1) of the act and recommend for grants any such project, or any project initiated by it, which it believes show promise of making valuable contributions to the vocational rehabilitation of handicapped individuals. The Secretary is authorized to utilize the services of any member or members of the Council in connection with matters relating to the administration of section 4 of the act for such periods in addition to conference periods, as he may determine.

(d) *Per diem payments.* Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council or at the request of the Secretary, shall be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100 per day, including travel time, and while so serving away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

(e) *Report to Congress.* The Secretary shall transmit to the Congress annually a report concerning the special projects initiated under section 4(a)(1) of the act, the recommendations of the National Advisory Council on Vocational Rehabilitation, and any action taken with respect to such recommendations.

Subpart D—Training and Research Fellowships Under Section 7 of the Act

§ 403.30 Training and instruction.

Under the authority of section 7 of the act, the Commissioner is authorized to provide short-term training and instruction in technical matters relating to vocational rehabilitation services for the purpose of increasing the number and competence of personnel concerned with the provision of such services. Such training and instruction shall include the establishment and maintenance of traineeships and research fellowships to provide financial assistance to individuals who are (a) pursuing technical or other specialized training courses, or (b) securing advanced research training or carrying out independent research in rehabilitation problems or methods. Such training, instruction, fellowships, and traineeships may be in the fields of physical medicine and rehabilitation,

physical therapy, occupational therapy, speech, pathology, and audiology, rehabilitation nursing, rehabilitation social work, prosthetics, and orthotics, rehabilitation psychology, rehabilitation counseling, recreation for the ill and handicapped, and other specialized fields contributing to vocational rehabilitation.

TRAINEESHIP AWARDS

§ 403.31 Benefits.

Traineeship awards may include (a) amounts allowed to meet living costs of the trainee during training, payable according to the methods, intervals, and rates established by the Commissioner; and (b) costs of travel and necessary per diem allowance in lieu of subsistence in connection with the training course, in conformity with the Standard Government Travel Regulations.

§ 403.32 Applications.

Applications by prospective trainees for stipends or other allowances are made to the institution from which the applicant proposes to take instruction. Completed applications are filed with the institution to be processed under rules established by the Vocational Rehabilitation Administration.

§ 403.33 Eligibility requirements.

A candidate for a traineeship award shall meet the requirements established by the Commissioner, including:

(a) The candidate shall have filed an application in the form and manner prescribed by the Commissioner and have supplied all pertinent information requested;

(b) He shall have been accepted by the educational institution or other sponsoring agency for admission to a course of study meeting the standards established by the Commissioner with respect to rehabilitation training;

(c) He shall be a citizen of the United States, or shall have been lawfully admitted for permanent residence to the United States;

(d) He shall have taken and subscribed to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic;" and

(e) He shall meet any other requirements set by the Commissioner as necessary to carry out the purposes of section 7 of the act.

§ 403.34 Conditions.

(a) Training shall be carried out only at the educational institution or agency designated by the Commissioner in the traineeship award. A change of the training institution shall be made by the trainee only with the consent of the Commissioner.

(b) Individuals receiving traineeship awards shall not be required to perform any services for the Vocational Rehabilitation Administration.

(c) The Vocational Rehabilitation Administration assumes no responsibility for employing or placing an individual awarded a traineeship, and a trainee is free to seek employment of his own choice upon conclusion of training supported by the award.

(d) Any publication resulting from work accomplished under the traineeship award shall include an acknowledgment of the award, and copies of such publication shall be furnished to the Vocational Rehabilitation Administration. Where the work accomplished under a traineeship award results in a book or other copyrightable material, the author is free to copyright the work, but the Vocational Rehabilitation Administration reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrightable or copyrighted material resulting from the award-supported activity.

§ 403.35 Duration.

A traineeship award shall extend for 1 academic year, unless a shorter period is specified in the award. The Commissioner may extend or renew an award upon application: *Provided*, That no training or instruction (including a combination of traineeship and research fellowship awards) shall be provided to any individual for any one course of study for a period longer than 4 years.

§ 403.36 Payment.

Payment of traineeships shall be made according to methods and in amounts established by the Commissioner.

§ 403.37 Termination.

The Commissioner may terminate any traineeship prior to the date it would otherwise expire, either on request of the trainee or because of unsatisfactory performance, unfitness, or inability to carry out the purpose of the traineeship.

RESEARCH FELLOWSHIPS

§ 403.40 Eligibility.

Research fellowships are available to any person who has demonstrated ability and special aptitude for advanced training or productive scholarship in the professional fields which contribute to the vocational rehabilitation of handicapped persons. Predoctoral, postdoctoral and special research awards are made. A candidate for a fellowship shall meet the qualifications established by the Commissioner for carrying out the purpose of research fellowships, including:

(a) The individual shall have filed an application in the form and manner prescribed by the Commissioner, and shall have supplied pertinent information with respect to his scholastic and other qualifications and personal fitness for the proposed work;

(b) He shall be a citizen of the United States or shall have been lawfully admitted for permanent residence to the United States;

(c) He shall not be receiving other Federal educational benefits during the

period of the Vocational Rehabilitation Administration fellowship; and

(d) He shall have taken and subscribed to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies, foreign and domestic."

§ 403.41 Submittal and review of applications.

(a) Research fellowship application forms may be obtained from the Chief, Division of Research Grants and Demonstrations, Vocational Rehabilitation Administration, Department of Health, Education, and Welfare, Washington, D.C., 20201. Applications may be submitted at any time.

(b) Selection of fellows is based on ability as evidenced by letters of recommendation, academic records, and other appropriate evidences of scholarly and research activity. Applications are submitted to the Research Fellowship Board of the Vocational Rehabilitation Administration for review and recommendation. Applications are presented to the Fellowship Board as soon as possible after they are received. However, in order to allow sufficient time for preliminary review, it is necessary that the application and all supporting documents be received at least three months prior to the desired notification date of action on the application.

(c) The Commissioner determines the action to be taken on the award and the applicant is informed accordingly in writing.

§ 403.42 Benefits.

Research fellowship awards may include:

(a) Stipends at rates fixed by the Commissioner;

(b) Actual tuition costs and related fees, payable directly to the educational institution or facility;

(c) Vacation or other leave in accordance with the custom of the institution at which the fellow is working, but not in excess of 1 month per year; and

(d) Transportation and related expenses, in accordance with the Standard Government Travel Regulations, for travel to the location of the fellowship and travel required to carry out the purposes of the fellowship, including attendance at meetings. Such travel allowance shall not include expenses of transporting dependents, shipping charges for personal effects or household goods, or foreign travel.

§ 403.43 Denials or terminations in the best interests of the United States.

Whenever with respect to an applicant for, or a recipient of, a research fellowship who otherwise meets the qualifications for such fellowship there is substantial reason to believe that the fellowship should be denied or terminated on grounds that:

(a) The oath or affirmation as required by § 403.40(d) was not taken in good faith; or

(b) The applicant or fellow has engaged in such criminal or other conduct as reflects seriously and adversely on his moral character, the Commissioner shall so notify such applicant or fellow and inform him that, unless a request for a review is made within 20 days of the mailing of such notice, his application or request for renewal will be denied or his fellowship terminated. Any such request for review shall be promptly submitted by the Commissioner to the Chairman of the Departmental Fellowship Review Panel for further proceedings in accordance with the regulations of the Secretary providing for such review. (Part 10 of this title.)

§ 403.44 Conditions.

(a) *Location.* Research under a rehabilitation research fellowship shall be carried out only at the educational institution or facility specified in the award. It is the responsibility of the applicant to make all necessary arrangements for the conduct of his proposed research fellowship work with the institution or agency where the work will be done.

(b) *Publications.* All publications resulting from work accomplished under a Vocational Rehabilitation Administration research fellowship shall carry appropriate acknowledgment of the award, and copies of such publications shall be furnished to the Vocational Rehabilitation Administration. Where the work accomplished under a research fellowship award results in a book or other copyrightable material, the author is free to copyright the work, but the Vocational Rehabilitation Administration reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrightable or copyrighted material resulting from the award-supported activity.

(c) *Patents.* Any invention arising out of the activities assisted by the award shall be promptly and fully reported to the Vocational Rehabilitation Administration. Ownership and the manner of disposition of all rights in and to such invention shall be determined by the Commissioner of Vocational Rehabilitation, in accordance with Department patent regulations and policy of the Department of Health, Education, and Welfare. The Vocational Rehabilitation Administration should be advised promptly prior to an award by the applicant of any commitment, obligation or condition which would or could be an obstacle to the applicant's fulfillment of this requirement.

(d) *Confidential information.* All information as to personal facts given or made available to a research fellow in the course of his activities under the research fellowship award, including lists of names and addresses and records of evaluation, shall be held to be confidential. The use of such information and records shall be limited to purposes

directly connected with the research fellowship award and may not be disclosed either directly or indirectly unless the consent of the agency providing the information and the individual to whom the information applies has been obtained in writing. The final product of the research will not reveal any information that may serve to identify any person about whom information has been obtained without his written consent.

(e) *Final report.* The fellow is expected to send a copy of a final report to the Vocational Rehabilitation Administration within 30 days after termination of his award. A copy of the dissertation is required from predoctoral fellows.

§ 403.45 Duration.

A research fellowship may be awarded for varying periods, such as for a full 12 months, and may be subject to extension or renewal by the Commissioner; *Provided*, That no research fellowship, or a combination of research fellowships and traineeships, shall be awarded to any individual for any one course of study for a period longer than 4 years.

§ 403.46 Payment.

Payment of fellowship awards shall be made according to methods and rates established by the Commissioner.

§ 403.47 Termination.

The Commissioner may terminate a research fellowship appointment before its expiration date at the request of the fellow or because of unsatisfactory performance, unfitness, or inability to carry out the purposes of the award.

Subpart E—Intramural Research and Information

§ 403.50 Intramural research.

Under section 7 of the act, the Commissioner is authorized, directly or by contract, to conduct research, studies, investigations, and demonstrations, and to make reports, with respect to abilities, aptitudes, and capacities of handicapped individuals, development of their potentialities, and their utilization in gainful and suitable employment.

§ 403.51 Information service.

Under section 7 of the act, the Commissioner is also authorized, directly or by contract, to plan, establish, and operate an information service, to make available to agencies, organizations, and other groups and persons concerned with vocational rehabilitation, information on rehabilitation resources useful for various kinds of disability and on research and the results thereof and on other matters which may be helpful in promoting the rehabilitation of handicapped individuals and their greater utilization in gainful and suitable employment. Activity under this authority may include the establishment and operation of a national information service in rehabilitation, using modern automated data equipment, to collect, store, analyze, retrieve, and disseminate information on the Federal-State program, research, training, prosthetics and orthotics,

centers and workshops, and other related aspects of vocational rehabilitation, as a service to agencies and individuals.

PART 404—VENDING STAND PROGRAM FOR THE BLIND ON FEDERAL AND OTHER PROPERTY

- Sec. 404.1 Terms.
- 404.2 Application for designation as licensing agency; general.
- 404.3 Application for designation as licensing agency; contents.
- 404.4 Rules and regulations of licensing agency; general.
- 404.5 Rules and regulations; ownership by operators.
- 404.6 Rules and regulations; issuance and conditions of licenses.
- 404.7 Rules and regulations; hearings.
- 404.8 Rules and regulations; set aside of funds.
- 404.9 Use of servicing arrangement.
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- 404.11 Approval of application for designation as licensing agency.
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- 404.15 Revocation of designation as licensing agency; procedures.
- 404.16 Revocation of designation as licensing agencies; effect.

AUTHORITY: The provisions of this Part 404 issued under sec. 2, 49 Stat. 1559, as amended; 20 U.S.C. 107a.

§ 404.1 Terms.

Unless otherwise indicated in this part, the terms below are defined as follows:

(a) "Act" means the Randolph-Sheppard Vending Stand Act (P.L. 732, 74th Cong., 49 Stat. 1559, as amended by section 4 of P.L. 565, 83d Cong., 68 Stat. 663; 20 U.S.C. 107, chapter 6A).

(b) "Secretary" means the Secretary of Health, Education, and Welfare.

(c) "Commissioner" means the Commissioner of Vocational Rehabilitation in the Department of Health, Education, and Welfare.

(d) "Licensing agency" means the State agency designated by the Commissioner pursuant to the act and this part, to issue licenses to blind persons for the operation of vending stands on Federal and other property.

(e) "Commission for the Blind" means a State agency which provides services exclusively for the blind and other visually handicapped individuals.

(f) "Program" means all the activities of the licensing agency, pursuant to the act and this part, related to vending stands on Federal and other property.

(g) "Federal property" means any building, land, or other real property, owned, leased, or occupied by any department or agency of the United States or any instrumentality wholly owned by the United States, or by any department or agency of the District of Columbia or any Territory or possession of the United States.

(h) "Other property" means property which is not Federal property and on

which vending stands are established or operated by the use of any funds derived in whole or in part, directly or indirectly, from the operation of vending stands on any Federal property.

(i) "License" means a written instrument issued by the licensing agency to a blind person, pursuant to the act and this part, authorizing such person to operate a vending stand on Federal or other property.

(j) "Operator" means a blind person licensed to operate a vending stand on Federal or other property under the act.

(k) "Permit" means the official authorization given a licensing agency by a department or agency in control of the maintenance, operation, and protection of Federal property, or person in control of other property, whereby the licensing agency is authorized to establish a vending stand.

(l) "Vocational Rehabilitation Act" means that act, as amended (29 U.S.C. ch. 4).

(m) "Vocational rehabilitation services" means those services necessary to render a blind person fit to engage in remunerative employment.

(n) "State Vocational Rehabilitation Agency" means that agency in the State providing vocational rehabilitation services to the blind as the sole State agency under a State plan approved pursuant to the provisions of the Vocational Rehabilitation Act.

(o) "Vending stand" means:

(1) Such shelters, counters, shelving, display and wall cases, refrigerating apparatus, and other appropriate auxiliary equipment as are necessary for the vending of such articles as may be approved by the licensing agency and the Federal department or agency having control of the maintenance, operation, and protection of Federal property or person in the control of other property; and

(2) Manual or coin-operated vending machines or similar devices for vending such articles.

(p) "Blind person" means a person having not more than 10 per centum visual acuity in the better eye with correction. This means a person who has

(1) Not more than 20/200 central visual acuity in the better eye after correction; or

(2) An equally disabling loss of the visual field; i.e., a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than twenty degrees. Such blindness shall be certified by a duly licensed ophthalmologist.

(q) "State" means a State, Territory, or possession, or the District of Columbia.

§ 404.2 Application for designation as licensing agency; general.

(a) Applications for designation as licensing agency may be submitted by a State Commission for the Blind or, in any State where there is no such Commission, by some other public agency of that State. Effective August 3, 1958, in any State having an approved plan for vocational rehabilitation pursuant to the Vocational Rehabilitation Act, only the

sole agency designated pursuant to section 5(a)(1) of such act with respect to vocational rehabilitation of the blind may be the State licensing agency.

(b) The application shall:

(1) Be submitted in writing to the Commissioner;

(2) Be approved by the chief executive of the State; and

(3) Be transmitted over the signature of the executive officer of the State agency making application.

§ 404.3 Application for designation as licensing agency; contents.

The application shall indicate:

(a) The licensing agency's legal authority to perform the functions necessary for the administration of the program, including its authority to issue regulations to govern the program which would have the force and effect of law within the State, and that such regulations will be issued in accordance with the provisions of State law.

(b) The licensing agency's organization for carrying out the program, including, where the licensing agency and the State vocational rehabilitation agency are the same, the methods of coordinating the two programs.

(c) The broad policies and standards to be employed in the selection of suitable locations for vending stands.

(d) The policies to be followed in making suitable vending stand equipment and adequate initial stocks of merchandise available and the sources of funds to be used therefor.

(e) The sources of funds for the management of the program and the amounts of funds, if any, to be set aside from the proceeds of the operation of vending stands.

(f) The policies and standards governing the relationship of the licensing agency to the operators, including their selection, duties, supervision, transfer, and financial participation.

(g) The methods to be followed in providing suitable training to blind persons selected for licensing under the program.

(h) The arrangements made or contemplated, if any, for the utilization of the services of any agency or organization; the agreements therefor and the services to be provided; the procedures for the supervision and control of the services provided by such agency or organization and the methods used in evaluating services received, the basis for remuneration, and the fiscal controls and accounting procedures.

(i) The arrangements made or contemplated, if any, for the vesting in accordance with the laws of the State, of the right, title to, and interest in vending stand equipment or stock (including vending machines) used in the program in a nominee of the licensing agency to hold such right, title to, and interest for program purposes.

(j) That the designated State licensing agency will:

(1) Cooperate with the Commissioner in carrying out the purpose of the act;

(2) Take effective action, including the termination of licenses, to carry out

full responsibility for the management and operation of each vending stand in its program, in accordance with its established rules and regulations, this part, and the terms and conditions governing the permit;

(3) Submit promptly to the Commissioner a description of any changes in the legal authority of the licensing agency, its rules and regulations, and any other matters which form a part of the application;

(4) If it intends to set aside, or cause to be set aside, funds from the proceeds of the operation of vending stands, obtain a prior determination by the Commissioner that the funds to be set aside do not exceed a reasonable amount;

(5) Furnish each operator a copy of its rules and regulations and a description of the arrangements for providing services, and take adequate steps to assure that each operator understands the provisions of such documents and the provisions of the permit and any agreements under which he operates, as evidenced by his signed statements; and

(6) Make such reports in such form and containing such information as the Commissioner may from time to time require and comply with such provisions as the Commissioner may from time to time find necessary to assure the correctness and verification of such reports.

§ 404.4 Rules and regulations of licensing agency; general.

(a) The State agency shall submit with its application rules and regulations which it has issued or proposes to promulgate immediately upon approval of its application. In the event proposed rules and regulations are submitted, the licensing agency shall within a reasonable time after the approval of its application, submit a copy of the promulgated regulations. Such rules and regulations shall contain adequate provisions to enable the licensing agency to carry out its responsibilities under the act and this part, and to assure the conduct of the program and the operation of each vending stand in accordance with the act, this part, and the regulations and conditions of the departments and agencies in control of the maintenance, operation, and protection of Federal property, including the conditions contained in the permits, as well as all applicable State laws, local ordinances and regulations.

(b) Such rules and regulations and amendments thereto shall be filed or published in accordance with State law.

(c) Such rules and regulations shall include provisions adequate to insure that the right, title to, and interest in each vending stand used in the program and the stock will be vested in accordance with the laws of the State in only the following:

(1) The licensing agency;

(2) Its nominee, subject to the conditions specified in § 404.9(b); and

(3) The operator.

The decision whether title may be vested in the operator rests with each State.

(d) Notwithstanding the provisions of paragraph (c) of this section, any right,

title to or interest which existed on June 30, 1955, in stock, may continue so long as:

- (1) The interest is with respect to the stock of a stand established under the program prior to July 1, 1955, and
- (2) The operator was licensed in the program (whether or not for the operation of the vending stand in question) prior to July 1, 1955.

§ 404.5 Rules and regulations; ownership by operators.

If a State decides that title may be vested in the operator, the rules and regulations shall specify:

(a) That a written agreement shall be entered into with each operator who is to have such ownership, such agreement containing in full the terms and conditions governing such ownership in accordance with criteria in the State agency's regulations, any applicable Federal regulations and the terms and conditions of the permit.

(b) Reasonable criteria to govern the determination as to the circumstances under which title may be so vested. Such criteria shall contain reasonable provisions to enable an operator to purchase vending stand equipment. No individual may be denied the opportunity to become an operator because of his inability to purchase the vending stand equipment or the initial stock.

(c) Whether the operator-owner or licensing agency shall be required to maintain the vending stand in good repair and in an attractive condition and replace worn-out or obsolete equipment; and if the former, provide that upon his failure to do so, the licensing agency may make or cause to be made, the necessary maintenance, replacement, or repairs and make equitable arrangements for reimbursement.

(d) That where the operator owns such equipment and is required to maintain the vending stand in good repair and in an attractive condition and replace worn-out or obsolete equipment or agrees to purchase additional new equipment, service charges for such purposes shall be equitably reduced, and the method for determining such amount.

(e) That the State licensing agency shall retain a first option to repurchase such equipment, and in the event the operator dies, or for any other reason ceases to be a licensee or transfers to another vending stand, ownership of such equipment shall become vested in the licensing agency subject to an obligation on its part to pay to such operator or his estate, the fair value therein as determined in accordance with its regulations.

(f) That the operator, his personal representative or next of kin shall be entitled to an opportunity for a fair hearing with respect to the determination of the amount to be paid by the licensing agency for an operator's ownership in the equipment.

(g) The method to be used in determining the fair value of the operator's ownership in the equipment.

§ 404.6 Rules and regulations; issuance and conditions of licenses.

The rules and regulations of the licensing agency shall further provide:

(a) Objective criteria for licensing qualified applicants, including a provision for giving preference to blind persons who are in need of employment and have resided for at least 1 year in the State in which the stand is to be located. Such criteria shall also include provisions to assure that licenses will be issued only to persons who are determined by the licensing agency to be:

- (1) Blind;
- (2) Citizens of the United States;
- (3) At least 21 years of age; and
- (4) Certified by the State vocational rehabilitation agency as qualified to operate a vending stand.

(b) For the issuance of licenses for an indefinite period but subject to termination if, after affording the operator an opportunity for a fair hearing, the licensing agency finds that the vending stand is not being operated in accordance with its rules and regulations, the terms and conditions of the permit, or the agreement with the operator.

(c) For the assignment to the operator of the income from vending machines within reasonable proximity to and in direct competition with the vending stand. (If a vending machine vends articles of a type authorized by the permit and is so located that it attracts customers who would otherwise patronize the vending stand, such machine shall be considered to be in reasonable proximity to and in direct competition with the stand.)

(d) The policies to govern the duties, supervision, transfer and financial participation of the operators.

§ 404.7 Rules and regulations; hearings.

The rules and regulations shall specify the procedure whereby the licensing agency affords an opportunity for a fair hearing to each operator (or to his personal representative or next of kin in cases described in § 404.5(f)) dissatisfied with any action arising from the operation or administration of the vending stand program.

§ 404.8 Rules and regulations; set aside of funds.

The rules and regulations of the licensing agency shall specify the extent to which funds are to be set aside or caused to be set aside from the proceeds of the operation of the vending stands and that in no case will the amounts to be set aside exceed a reasonable amount as determined by the Commissioner. Funds may be set aside only for the purposes of:

- (a) Maintenance and replacement of equipment;
- (b) The purchase of new equipment;
- (c) Management services;
- (d) Assuring a fair minimum of return to operators of vending stands; and the rules and regulations of the licensing agency shall set out the method of determining the charge for each of the above listed purposes. Such method will

be designed to prevent, so far as is practicable, a greater charge for any purpose than is reasonably required for that purpose. The rules and regulations shall further provide that adequate records will be maintained to support the reasonableness of the charges for each of the purposes listed in this section.

§ 404.9 Use of servicing arrangement.

(a) The licensing agency may enter into an agreement whereby another agency or organization undertakes to furnish services. Such agreement shall be in writing and contain provisions which:

(1) Clearly insure the retention by the licensing agency of full responsibility for the management and operation of all phases of the program;

(2) Specify the type and extent of the services to be provided under such agreement;

(3) Provide that no charges will be collected from operators except as specified in such agreement;

(4) Specify that such other agency or organization may not be allowed to exercise any function with respect to funds for the purchase of new equipment or for assuring a fair minimum of return to operators, except to collect and hold solely for disposition in accordance with the order of the licensing agency any charges authorized for those purposes by the licensing agency; and

(5) Specify that only the licensing agency shall have control with respect to selection, placement, financial participation and termination of the operators and the preservation, utilization and disposition of program assets.

(b) If the licensing agency permits any agency or organization other than an operator to hold any right, title to, or interest in vending stands or stock, the arrangement shall be one permitted by State law and shall specify in writing that all such right, title to, or interest is held as the nominee of the licensing agency for program purposes and subject to the paramount right of the licensing agency to direct and control the use, transfer, and disposition of such vending stands or stock.

§ 404.10 Agreements with State vocational rehabilitation agencies.

In the event that the licensing agency is not also the State vocational rehabilitation agency, the licensing agency shall enter into a cooperative agreement with the State vocational rehabilitation agency with respect to providing vocational rehabilitation services to blind persons who are in need of such services.

§ 404.11 Approval of application for designation as licensing agency.

When the Commissioner determines that the application and rules and regulations (or proposed rules and regulations) indicate a plan of program operations which will stimulate and enlarge the economic opportunities for the blind and meet the other requirements of the act and of this part, he shall approve the application and shall designate the

applying agency as the State licensing agency.

§ 404.12 Permit for establishment of vending stands.

Prior to the establishment of each vending stand, the designated State licensing agency shall submit and have approved, in accordance with regulations of the department or agency in control of the maintenance, operation, and protection of the Federal property (or procedures of the person in control of other property), an application for a permit setting forth the exact location, the amount of space to be occupied, the type of shelter and/or equipment, the types of items of merchandise to be offered for sale at each vending stand, including the number, location, and types of vending machines and other terms and conditions desired to be included in the permit.

§ 404.13 Maintenance and repair of vending stands.

The licensing agency shall maintain (or cause to be maintained) all vending stands in good repair and in an attractive condition and shall replace or cause to be replaced wornout and obsolete equipment as required to insure the continued successful operation of the stand.

§ 404.14 Revocation of designation as licensing agency.

The Secretary shall revoke the designation of any licensing agency if he finds after affording such agency an opportunity for a hearing, as hereinafter provided, that, in the administration of the program, there is a failure on the part of such agency to comply substantially with the provisions of the act or of this part.

§ 404.15 Revocation of designation as licensing agency; procedures.

(a) If the Commissioner has reason to believe that, in the administration of the program, there is a failure on the part of any licensing agency to comply substantially with the act and this part, he shall so inform such agency in writing, setting forth, in detail, the areas in which there is such failure and giving it a reasonable opportunity to comply.

(b) If, after the lapse of a reasonable time, the Commissioner is of the opinion that such failure to comply still continues and that the licensing agency is not taking the necessary steps to comply, he shall offer to such agency, by reasonable notice in writing thereto and to the chief executive of the State, an opportunity for a hearing before the Secretary (or person designated by the Secretary) to determine whether there is a failure on the part of such agency to comply substantially with the provisions of the act and of this part.

(c) If it is thereupon determined that there is a failure on the part of such agency to comply substantially with the act and this part, appropriate written notice shall be given to such agency and to the chief executive of the State revoking said agency's designation as licensing agency effective 90 days from the date of such notice.

(d) If, before the expiration of such 90 days, the Secretary (or person designated by him) determines that the licensing agency is taking the necessary steps to comply, he may postpone the effective date of such revocation for such time as he deems necessary for the best interest of the program.

(e) If, prior to the effective date of such revocation, the Secretary (or person designated by him) finds that there is no longer a failure on the part of the licensing agency to comply substantially with the provisions of the act and of this part, he shall so notify the agency and the chief executive of the State, in which event the revocation of the designation shall not become effective.

§ 404.16 Revocation of designation as licensing agency; effect.

(a) Effective upon the receipt of the notice of revocation of a State agency's designation as licensing agency, in accordance with § 404.15(c), the licensing agency's authority to issue licenses to blind persons for the operation of vending stands on Federal and other property under the act and this part shall be suspended, except upon special authorization by the Commissioner.

(b) After the effective date of the revocation of a State agency's designation as licensing agency, such agency shall have no authority to issue licenses to blind persons for the operation of vending stands under the act and this part.

(c) If, at the expiration of 60 days from the effective date of a revocation of a State agency's designation as licensing agency, no other agency in the State is designated, pursuant to the provisions of the act and this part, as licensing agency, all licenses issued by the agency whose designation has been revoked shall terminate.

PART 405—CORRECTIONAL REHABILITATION STUDY

Subpart A—Grants

- Sec.
405.1 Purpose.
405.2 Eligible grantees; application.
405.3 Grant conditions.
405.4 Financial participation.

Subpart B—National Advisory Council on Correctional Manpower and Training

- 405.6 Appointment and composition.
405.7 Term of office.
405.8 Duties.
405.9 Per diem payments.

AUTHORITY: The provisions of this Part 405 issued under sec. 7(b), Vocational Rehabilitation Act, 68 Stat. 659, 29 U.S.C. 37(b); the Correctional Rehabilitation Study Act of 1965, Public Law 89-178, 79 Stat. 676; and the Vocational Rehabilitation Act Amendments of 1965, Public Law 89-333, sec. 3, 79 Stat. 1284.

Subpart A—Grants

§ 405.1 Purpose.

Special project grants are authorized for the purpose of paying part of the cost of carrying out a program of research and study of the personnel practices and current and projected personnel needs in the field of correctional rehabilitation

and of the availability and adequacy of the educational and training resources for persons in, or preparing to enter such field. This would include but not be limited to the availability of educational opportunities for persons in, or preparing to enter, such field, the adequacy of the existing curriculum and teaching methods and practices involved in the preparation of persons to work in this field, the effectiveness of present methods of recruiting personnel for such field and the extent to which personnel in the field are utilized in the manner which makes the best use of their qualifications.

§ 405.2 Eligible grantees; application.

(a) Grants may be made to one or more organizations. For this purpose, the term "organization" means a non-governmental agency, organization, or commission, composed of representatives of leading professional associations, organizations, or agencies active in the field of corrections.

(b) Application shall be made in the form and detail required by the Commissioner of Vocational Rehabilitation. Applications for initial grants shall be submitted, not later than December 31, 1965, to the Assistant Commissioner, Research and Training, Vocational Rehabilitation Administration, DHEW, Washington, D.C., 20201, who processes them for submission to the National Advisory Council on Correctional Manpower and Training. The applicant may be requested to submit further information either before or after consideration of a project by the Council. All projects which meet the requirements for a grant are submitted to the Council which makes recommendations to the Commissioner. The Commissioner then determines the action to be taken with respect to each project and informs the applicant accordingly. In the case of approval, the applicant is advised of the amount and method of payment and the period to which the grant is to be applied. Separate application shall be made for continuation support.

§ 405.3 Grant conditions.

Grants under this part shall be subject to the following terms and conditions:

(a) The grantee organization will undertake and conduct, or if more than one organization is to receive grants, such organizations have agreed among themselves to undertake and conduct, a coordinated program of research into and study of all aspects of the resources, needs, and practices referred to in § 405.1;

(b) The research and study shall be completed not later than 3 years from the inauguration date specified in the approved application or applications;

(c) The grantee will file annual reports with the Secretary of Health, Education, and Welfare, the Commissioner of Vocational Rehabilitation, the Congress, the Governors of the several States and the President, among others the grantee may select; and the grantee will similarly file the final report; and

(d) Such other terms and conditions as the Commissioner of Vocational Rehabilitation may specify.

§ 405.4 Financial participation.

Federal financial participation shall be available in expenditures specified in the approved budget. The grantee organization or organizations is authorized to accept additional financial support from private or other public sources to assist in carrying on the project authorized by this part.

Subpart B—National Advisory Council on Correctional Manpower and Training

§ 405.6 Appointment and composition.

The National Advisory Council on Correctional Manpower and Training shall consist of the Secretary of Health, Education, and Welfare (or his designee) as Chairman and 12 members, not otherwise in the regular full-time employ of the United States, appointed without regard to civil service laws by the Secretary after consultation with the Attorney General of the United States. The appointed members shall be leaders in fields concerned with correctional rehabilitation or in public affairs. In selecting persons for appointment to the Council, consideration shall be given to such factors, among others, as (a) familiarity with correctional manpower problems, and (b) particular concern with the training of persons in or preparing to enter the field of correctional rehabilitation. Four members shall come from State or local correctional services.

§ 405.7 Term of office.

Each appointed member shall hold office for a term extending to the completion of the correctional rehabilitation study described in § 405.1, and the filing of the final report. Vacancies may be filled as they occur.

§ 405.8 Duties.

The Council shall consider all applications for grants under Subpart A of this part and make recommendations with respect to approval of applications for and the amount of such grants.

§ 405.9 Per diem payments.

Appointed members of the Council, while attending meetings or conferences thereof or otherwise serving on business of the Council, shall be entitled to receive compensation at a rate to be fixed by the Secretary of Health, Education,

and Welfare, but not exceeding \$100 per day, including travel time, and, while so serving away from their homes or regular places of business, they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the Government service employed intermittently.

PART 406—THE NATIONAL COMMISSION ON ARCHITECTURAL BARRIERS TO REHABILITATION OF THE HANDICAPPED

Sec.

- 406.1 Appointment and composition.
- 406.2 Term of office.
- 406.3 Duties.
- 406.4 Advisory and technical consultants.
- 406.5 Per diem payments.
- 406.6 Report to the Secretary.

AUTHORITY: The provisions of this Part 406 issued under sec. 15 of the Vocational Rehabilitation Act, as amended by Public Law 89-333, sec. 3, 79 Stat. 1289.

§ 406.1 Appointment and composition.

The National Commission on Architectural Barriers to Rehabilitation of the Handicapped shall consist of the Secretary of Health, Education, and Welfare (or his designee), as Chairman and not more than 15 members appointed by the Secretary without regard to civil service laws. The 15 appointed members shall be representative of the general public and of private and professional groups having an interest in and ability to contribute to the solution of architectural problems which limit the participation of the handicapped in all phases of community life.

§ 406.2 Term of office.

Each appointed member shall hold office for a term to run concurrently with the life of the Commission.

§ 406.3 Duties.

The Commission shall (a) determine how and to what extent architectural barriers impede access to or use of facilities and buildings of all types by the handicapped; (b) determine what is being done, especially by public and other nonprofit agencies and groups having an interest in and capacity to deal with the problem, to eliminate such barriers from existing buildings and to prevent their incorporation into buildings constructed in the future; (c) prepare plans and pro-

posals for such further action as may be necessary to achieve the goal of ready access to and full use of facilities and buildings of all types by the handicapped, including proposals for bringing together in a cooperative effort agencies, organizations, and groups already working toward that goal or whose cooperation is essential to effective and comprehensive action.

§ 406.4 Advisory and technical consultants.

The Commission is authorized to appoint such special advisory and technical experts and consultants, and establish such committees, as may be useful in carrying out its functions, to make studies, and to contract for studies or demonstrations to assist it in performing its functions. The Secretary shall make available to the Commission such technical, administrative and other assistance as it may require to carry out its functions.

§ 406.5 Per diem payments.

Appointed members of the Commission and special advisory and technical experts and consultants appointed by the Commission shall, while attending meetings or conferences thereof or otherwise serving on business of the Commission, be entitled to receive compensation at rates fixed by the Secretary, but not exceeding \$100.00 per day, including travel time; and while so serving away from their homes or regular places of business they may be allowed travel expenses including per diem in lieu of subsistence as authorized by section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2) for persons in the government service employed intermittently.

§ 406.6 Report to the Secretary.

The Commission shall, prior to January 1, 1968, submit a final report of its activities together with its recommendations for further carrying out the purposes of this part to the Secretary for transmission by him together with his recommendations to the President and then to the Congress. The Commission shall also prepare such interim reports as the Secretary may request.

Dated: January 10, 1966.

[SEAL] JOHN W. GARDNER,
Secretary.

[F.R. Doc. 66-407; Filed, Jan. 13, 1966; 8:45 a.m.]



