

# Registered Federal Order

WEDNESDAY, DECEMBER 21, 1977



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markets will no longer be required to submit information that had recently been provided, for example, in a rule change review.

Section 1.50(d), which relates to the consequences of a contract market's failing to comply with the designation requirements of Sections 5 and 5a of the Act and failing or refusing to file the information required by § 1.50, and § 1.50(e), which provides for extensions of time for filing information upon a showing of good cause, will not be affected by the proposed changes. Sections 1.50 (d) and (e) would be redesignated, however, as §§ 1.50 (b) and (c) respectively.

In consideration of the foregoing, the Commission, pursuant to the authority contained in Sections 5, 5a, 6(a), 6b, 6c and 8a of the Act, 7 U.S.C. 7, 7a, 8, 13, 13a-1 and 12a (Supp. V, 1975), hereby proposes to amend § 1.50 of Chapter 1 of Title 17 of the Code of Federal Regulations to read as follows:

**§ 1.50 Demonstration of continued compliance with the requirements for contract market designation.**

(a) With respect to each commodity for which it has been designated as a contract market, each board of trade shall file with the Commission within 60 days of a Commission request, or within such longer period as the Commission may specify in the request, a written report containing such supporting data, and other information and documents as the Commission may specify, that clearly demonstrates that such contract market is complying with the conditions and requirements of Sections 5 and 5a of the Act.

(b) Any failure by a contract market to continue to comply with the conditions and requirements for designation as a contract market as set forth in Sections 5 and 5a of the Act, and any failure or refusal to file the information required by this regulation shall be cause for action by the Commission under Sections 5b, 6(a), 6b, 6c, or 8a(7) of the Act (7 U.S.C. 7b, 8(a), 13a, 13a-1 and 12a(7)).

(c) Upon showing of good cause by a contract market, the Commission may extend for a reasonable time the filing date for any report under this regulation.

(7 U.S.C. 7, 7a, 8, 13, 13a-1 and 12a (Supp. V, 1975).)

Issued in Washington, D.C. on December 16, 1977 by the Commission.

WILLIAM T. BAGLEY,  
Chairman, Commodity Futures  
Trading Commission.

[FR Doc. 77-36313 Filed 12-20-77; 8:45 am]

[ 4710-02 ]

DEPARTMENT OF STATE

Agency for International Development

[ 22 CFR Part 216 ]

PESTICIDE AND OTHER  
ENVIRONMENTAL PROCEDURES

Assessment of Projects

AGENCY: Agency for International Development (A.I.D.).

ACTION: Proposed rules.

SUMMARY: These proposed rules would amend A.I.D.'s current environmental procedures by adding supplemental procedures for the environmental assessment of all proposed A.I.D. projects involving assistance for the procurement or use, or both, of pesticides. The proposed rules would also modify current A.I.D. procedures to adapt them to recent changes in A.I.D.'s project and program review and approval process which have eliminated the stage in those processes at which initial environmental examination was previously conducted.

DATES: Comments on these proposed rules must be received on or before February 6, 1978. Comments should be submitted to: Mr. Albert Printz, A.I.D. Environmental Coordinator, Agency for International Development, Department of State, Washington, D.C. 20523.

FOR FURTHER INFORMATION CONTACT:

Mr. Albert Printz, A.I.D. Environmental Coordinator, at the above address or by phone at 703-235-9035.

SUPPLEMENTARY INFORMATION: On May 13, 1977, A.I.D. issued a final programmatic environmental impact statement on its pest management activities, including such activities conducted, supported or otherwise assisted by it for the procurement or use of pesticides (42 FR 25394). That statement discussed several alternatives for A.I.D.'s future pest management programs and concluded that one alternative was the best alternative for A.I.D.'s future programs. The preferred alternative included the continuation of A.I.D.'s programs of assistance for the procurement and use of pesticides for public health and food production and preservation programs in less developed countries but would subject pesticide activities to a specific additional environmental evaluation as part of the overall project assessment process. Except in emergency situations, all projects involving the procurement or use of pesticides would require a risk/benefit evaluation of the proposed pesticide use in addition to the evaluation otherwise required by A.I.D.'s current environmental procedures. The scope and depth of this evaluation would be determined by the pesticide's current registration status in the United States.

The proposed rules below, particularly § 216.3(b), are intended to implement the conclusions reached in A.I.D.'s final impact statement. Proposed § 216.3(b) (1)

requires that the Initial Environmental Examination for every project involving assistance for the procurement or use of pesticides include a separate section evaluating the economic, social and environmental costs and benefits of the planned pesticide use and specifies the factors which, at a minimum, must be considered in that evaluation. A pesticide whose use is restricted by EPA on the basis of user hazard is subject to additional requirements (§ 216.3(b) (1) (ii)). If the project includes assistance for (1) any pesticide other than one registered by EPA for general use or for restricted use on the basis of user hazard; or (2) any pesticide for which EPA has initiated an adverse regulatory action, a positive Threshold Decision must be made and an Environmental Assessment or Environmental Impact Statement must be prepared in accordance with A.I.D. regulations. The proposed regulations also establish procedures for reassessing the impact of proposed pesticide uses if the regulatory status of a pesticide changes subsequent to its evaluation in an IEE, EA, or EIS (§ 216.3(b) (1) (iv)); and for environmental assessments when specific pesticides are not identified at the time of Project Paper approval (§ 216.3(b) (1) (v)).

The proposed procedures provide for two limited exceptions to the proposed pesticide procedures. One exception is for emergency situations in which insufficient time is available to complete the required environmental assessment before significant public health or economic problems will occur. This exception is the same as that contained in A.I.D.'s current Interim Pesticide Procedures (41 FR 1297). The other exception covers situations in which A.I.D. is a minor donor to a multidonor project and does not under the terms of the agreement governing its contribution, control the planning or design of the multidonor project (see proposed § 216.1(c) (12)).

Proposed § 216.3(b) (3) establishes procedures for evaluation of pesticides procured or used on a non-project assistance basis. A.I.D. has determined as a matter of policy not to provide pesticides on a non-project assistance basis except in the rare circumstances set out in this proposed section.

The proposed revisions to § 216.1(c) (2), 216.1(c) (3), 216.1(c) (10), 216.1(c) (11), 216.1(c) (12), 216.1(c) (13), and the proposed new § 216.3(a) affect changes to Regulation 16 which are, for the most part, unrelated to the new pesticide procedures. These proposed revisions are designed to adjust A.I.D.'s environmental procedures to recent modifications in its internal procedures for review and approval of development assistance projects.

A.I.D. has recently changed from a three-step review and approval process (involving the preparation of a Project Identification Document (PID), followed by a Project Review Paper (PRP) and a final approval document, the Project Paper (PP) in the case of project assist-

ance; and for non-project assistance, a Program Assistance Initial Proposal (PAIP), Program Assistance Review Document (PARD), and Program Assistance Approval Document (PAAD) to a two-step procedure which eliminates the intermediate requirement for a Project Review Paper (PRP) or Program Assistance Review Document (PARD).

A.I.D.'s Environmental Procedures, A.I.D. Regulation 16, 22 CFR Part 216, currently provide for the environmental analysis of A.I.D. development assistance projects as an integral part of project approval documentation. These procedures provide for the preparation of an Initial Environment Examination (IEE) as a part of, and concurrently with, the PRP or PARD. Based on the IEE, a Threshold Decision was made at the PRP or PARD stage either that the proposed action was not a major action having a significant effect on the human environment or that an Environmental Assessment or Environmental Impact Statement was required. Elimination of the PRP/PARD stage necessitates the proposed revisions of A.I.D.'s environmental procedures.

The effect of the revisions below is to require the preparation of an Initial Environmental Examination concurrently with the Project Identification Document or Program Assistance Initial Proposal, the two internal A.I.D. documents which initially identify and describe a proposed project or program. Based on this initial examination, a Threshold Decision will be required at the time of PID/PAIP approval. Because the specific activities to be conducted under a project cannot always be sufficiently identified at the PID/PAIP stage to permit completion of an adequate IEE, the new procedures would permit deferral of the Threshold Decision if an IEE cannot be completed at the time required for PID/PAIP approval. In such cases, however, a specific time must be set for completion of the IEE which insures that all required environmental analyses will be completed prior to A.I.D.'s final authorization of the project.

Accordingly, it is proposed that 22 CFR, Part 216, be amended, as follows:

§ 216.1 [Amended]

1. By revising the last sentence of § 216.1(c) (2) to read:

(c) \* \* \* \* \*  
 (2) \* \* \* \* \* The initial Environmental Examination will be an integral part of the Project Identification Document or equivalent document which will be circulated to selected Federal agencies for comment, when an Environmental Assessment is to be prepared.

2. By revising the first sentence of § 216.1(c) (3) to read:

(3) \* \* \* \* \* A formal Agency decision which determines, based on an Initial

Environmental Examination, whether a proposed agency action is or is not a major action significantly affecting the human environment, and, if so, whether an Environment Assessment or an Environment Impact Statement is required.

3. By deleting §§ 216.1(c) (10), *Project Review Paper (PRP)*, and 216.1(c) (11), *Program Assistance Review Document (PARD)*.

4. By renumbering §§ 216.1(c) (12), *Project Paper (PP)*, and 216.1(c) (13), *Program Assistance Approval Document (PAAD)* to read respectively, 216.1(c) (10) and 216.1(c) (11).

5. By adding a new § 216.1(c) (12) to read as follows:

(c) \* \* \* \* \*  
 (12) *Minor Donor*. For the purposes of these procedures A.I.D. is a minor donor to a multidonor project when its total contribution to a multidonor project will not exceed \$1,000,000 or 25 percent of the estimated project cost provided that A.I.D. does not, under the terms of the agreement governing its contribution, control the planning or design of the multidonor project.

6. By revising § 216.3, *General Procedures*, to read:

§ 216.3 *Procedures*.

(a) *General Procedures*—(1) *Preparation of the Initial Environmental Examination*. An Initial Environmental Examination will be prepared by the originator of a project concurrently with the Project Identification Document (PID) or Program Assistance Initial Proposal (PAIP). For projects including the procurement or use, or both, of pesticides, the procedures set forth in § 216.3(b) will be followed in addition to the procedures in paragraph (a). If some of the activities to be conducted under the project are not identified in sufficient detail to permit the completion of an Initial Environmental Examination at the PID or PAIP stage, the PID or PAIP will include (i) an explanation indicating why the Initial Environmental Examination cannot be completed; (ii) an estimate of the amount of time required to complete the initial environmental analysis; and (iii) a recommendation that a Threshold Decision be deferred until the Initial Environmental Examination is completed. The responsible Assistant Administrator will act on the request for deferral concurrently with action on the PID or PAIP and will designate a time for completion of the Initial Environmental Examination. In all instances this completion date will be in sufficient time to allow for the completion of an Environmental Assessment or Environmental Impact Statement, if required, before a final decision is made to provide A.I.D. funding for the project.

(2) *Threshold Decision*. If the Initial Environmental Examination is completed prior to or at the same time as the Project Identification Document or Pro-

gram Assistance Initial Proposal, a Threshold Decision will be specifically recommended in the Project Identification Document or Program Assistance Initial Proposal and acted upon at the Bureau or office level concurrently with approval of those documents. When an Initial Environmental Examination is completed subsequent to approval of the Program Identification Document or Program Assistance Initial Proposal pursuant to § 216.3(a) (1) above, it will be immediately forwarded to the responsible Assistant Administrator with a recommended Threshold Decision. If the Threshold Decision is negative (i.e. an Environmental Assessment or an Environmental Impact Statement is not required), the cognizant Bureau or office will record this decision and such record will constitute a Negative Determination. If the Threshold Decision based on an Initial Environmental Examination is positive (i.e. a significant environmental impact is likely to occur), then the activity is to be evaluated to determine if an EIS is to be prepared pursuant to § 216.6 of these procedures. When a Threshold Decision based on an Initial Environmental Examination indicates that an Environmental Assessment is required the procedures of § 216.5 will be followed and the approved Project Identification Document or other document containing the Initial Environmental Examination will be circulated to selected U.S. Federal agencies with relevant expertise, utilizing the list provided in the CEQ Guidelines. Such agencies will be invited to make written comments within thirty days on the Examination and on matters that should be considered in preparation of the Environmental Assessment. Comments received on environmental aspects from reviewing Federal agencies will be forwarded to the originating project office for consideration in the formulation of the design and implementation of the project and the required Environmental Assessment, and will form part of the project file when the project comes forward in the Project Paper stage for final approval.

(3) *Preparation of Environmental Assessments and Environmental Impact Statements*. If the Project Identification Document or Program Assistance Initial Proposal is approved, and if the Threshold Decision is positive, the originator of the project will prepare, prior to or concurrently with the Project Paper or Program Assistance Approval Document, an Environmental Assessment or draft Environmental Impact Statement as required. Draft Environmental Impact Statements will be circulated for review and comment as part of the review of Project Papers and as outlined further in § 216.6 of these procedures. Final approval of the Project Paper or Program Assistance Approval Document and the method of implementation will include consideration of the Environmental Assessment or final Environmental Impact Statement, as well as other required (non-environmental) analyses. If loans or grants for broad

## PROPOSED RULES

sector activities (e.g. river basin development etc.) are proposed, a general or programmatic Environmental Assessment or Environmental Impact Statement consistent with the scope of the proposed loan or grant will be prepared in conjunction with the Project Paper and agreement will be reached with the recipient government that a detailed Assessment will be prepared and considered on each individual project as it is developed and prior to its approval.

(4) *Processing and Review Within A.I.D.* Initial Environmental Examinations, Environmental Assessments and final Environmental Impact Statements will be processed within A.I.D. in accordance with the normal A.I.D. procedures for other documents. These procedures call for participation in the project review process of technical, legal and country specialists. Environmental Assessments and final Environmental Impact Statements will be reviewed as an integral part of the Project Paper or equivalent. In addition to these normal procedures, Environmental Assessments will be reviewed by the appointed Bureau environmental officer and, periodically, by the Environmental Coordinator who will monitor the Environmental Assessment process. Draft and final Environmental Impact Statements will be reviewed by the Environmental Coordinator and the Office of the General Counsel.

(5) *Monitoring.* To the extent feasible and relevant, projects and programs for which Environmental Impact Statements or Environmental Assessments have been prepared, should be designed to include measurement of any changes in environmental quality, positive or negative, during their implementation. This will require recording of baseline data at the start. To the extent that available data permits, originating offices of A.I.D. will formulate systems in collaboration with the recipient nation(s), to monitor such impacts during the life of A.I.D.'s involvement in the activity.

(6) *Revisions.* If, after a Threshold Decision is made resulting in a Negative Determination, a project is revised or new information becomes available which indicates that a proposed action might be "major" and its effects "significant", the Negative Determination will be reviewed and revised by the cognizant Bureau and an Environmental Assessment or Environmental Impact Statement will be prepared, if appropriate. Environmental Assessments and Environmental Impact Statements will be amended and processed appropriately if there are major changes in the project or program, or when significant new information becomes available. When ongoing programs are revised to incorporate a change in scope or nature, a determination will be made as to whether such change may have an environmental impact not previously assessed. If so, the procedures outlined above will be followed.

(b) *Pesticide Procedures*—(1) *Project Assistance.* Except as provided in § 216.3(b)(2), all proposed projects involving assistance for the procurement or use, or both, of pesticides shall be subject to the procedures prescribed in § 216.3(b)(1)(i) through (v) below. These procedures shall also apply, to the extent permitted by agreements entered into by A.I.D. before the effective date of these pesticide procedures, to such projects that have been authorized but for which pesticides have not been procured as of the effective date of these pesticide procedures.

(i) When a project includes assistance for procurement or use, or both, of pesticides for research or limited field evaluation purposes, or if the pesticides are registered for the same or similar uses by USEPA without restriction, the Initial Environmental Examination for the project shall include a separate section evaluating the economic, social and environmental costs and benefits of the planned pesticide use to determine whether the use may result in significant environmental impact. Factors to be considered in such an evaluation shall include, but not be limited to, the following:

- (a) The USEPA registration status of the requested pesticide;
- (b) The basis for selection of the requested pesticide;
- (c) The extent to which the proposed pesticide use is part of an integrated pest management program;
- (d) The proposed method or methods of application, including availability of appropriate application and safety equipment;
- (e) Any acute and long-term toxicological hazards, either human or environmental, associated with the proposed use and measures available to minimize such hazards;
- (f) The effectiveness of the requested pesticide for the proposed use;
- (g) Compatibility of the proposed pesticide with target and nontarget ecosystems;
- (h) The conditions under which the pesticide is to be used, including climate, flora, fauna and geography;
- (i) The availability and effectiveness of other pesticides or nonchemical control methods;
- (j) The requesting country's ability to regulate or control the distribution, storage, use and disposal of the requested pesticide;
- (k) The provisions made for training of users and applicators; and
- (l) The provisions made for monitoring the use and effectiveness of the pesticide.

In those cases where the evaluation of the proposed pesticide use in the Initial Environmental Examination indicates that the use will significantly effect the human environment, the Threshold Decision will include a recommendation for the preparation of an Environmental Assessment or Environmental Impact Statement, as appropriate. In the event a decision is made to approve the planned pesticide use, the Project Paper shall include to the extent practicable, provisions designed to mitigate potential adverse effects of the pesticide. When the pesticide evaluation section of the Initial Environmental Examination does not indicate a potentially unreasonable risk arising from the pesticide use, an Environmental

Assessment or Environmental Impact Statement shall nevertheless be prepared if the environmental effects of the project otherwise require further assessment.

(ii) When a project includes assistance for the procurement or use, or both, of any pesticide registered for the same or similar uses in the U.S. but the proposed use is restricted by the USEPA on the basis of user hazard, the procedures set forth in § 216.3(b)(1)(i) above will be followed. In addition, the Initial Environmental Examination will include an evaluation of the user hazards associated with the proposed USEPA restricted uses to ensure that the implementation plan which is contained in the Project Paper incorporates provisions for making the recipient government aware of these risks and providing, if necessary, such technical assistance as may be required to mitigate these risks. If the proposed pesticide use is also restricted on a basis other than user hazard, the procedures in § 216.3(b)(1)(iii) shall be followed in lieu of the procedures in this subsection.

(iii) If the project includes assistance for the procurement or use, or both of:

- (a) Any pesticide other than one registered for general use or for restricted use on the basis of user hazard; or
- (b) Any pesticide for which a notice of rebuttable presumption against reregistration, notice of intent to cancel, or notice of intent to suspend has been issued by USEPA.

The Threshold Decision will provide for the preparation of an Environmental Assessment or Environmental Impact Statement, as appropriate (§ 216.6(a)). The EA or EIS shall include, but not be limited to, an analysis of the factors identified in § 216.3(b)(1)(i) above.

(iv) Notwithstanding the provisions of §§ 216.3(b)(1)(i) through (iii) above, if the project includes assistance for the procurement or use, or both, of a pesticide against which USEPA has initiated a regulatory action for cause, or for which it has issued a notice of rebuttable presumption against reregistration, the nature of the action or notice, including the relevant technical and scientific factors will be discussed with the requesting government and considered in the IEE and, if prepared, in the EA or EIS. If USEPA initiates any of the regulatory actions above against a pesticide subsequent to its evaluation in an IEE, EA or EIS, the nature of the action will be discussed with the recipient government and considered in an amended IEE or amended EA or EIS, as appropriate.

(v) If the project includes assistance for the procurement or use, or both of pesticides but the specific pesticides to be procured or used cannot be identified at the time the IEE is prepared, the procedures outlined in §§ 216.3(b)(i) through (iv) will be followed when the specific pesticides are identified and before procurement or use is authorized. Where identification of the pesticides to be procured or used does not occur until after Project Paper approval, neither the procurement nor the use of the pesti-

cides shall be undertaken unless approved, in writing, by the Assistant Administrator (or in the case of projects authorized at the Mission level, the Mission Director) who approved the Project Paper.

(2) *Exceptions to Pesticide Procedures.* The procedures set forth in § 216.3(b)(1) above shall not apply to the following projects including assistance for the procurement or use, or both, of pesticides.

(i) Projects under emergency conditions.

Emergency conditions shall be deemed to exist when it is determined by the Administrator, A.I.D., in writing that:

(a) A pest outbreak has occurred or is imminent; and

(b) Significant health problems (either human or animal) or significant economic problems will occur without the prompt use of the proposed pesticide; and

(c) Insufficient time is available before the pesticide must be used to evaluate the proposed use in accordance with the provisions of this regulation.

(ii) Projects where A.I.D. is a minor donor, as defined in § 216.1(c)(12) above, to a multi-donor project.

(3) *Non-Project Assistance.* In a very limited number of special circumstances A.I.D. may provide non-project assistance for the procurement and use of pesticides. Assistance in such cases shall be provided if the A.I.D. Administrator determines in writing that (i) emergency conditions, as defined in § 216.3(b)(2)(1) above exist; or (ii) that compelling circumstances exist such that failure to provide the proposed assistance would seriously impeded the attainment of U.S. foreign policy objectives or the objectives of the foreign assistance program. In the latter case, a decision to provide the assistance will be based to the maximum extent practicable, upon a consideration of the factors set forth in § 216.3(b)(1)(i) and, to the extent available, the history of efficacy and safety covering the past use of the pesticide in the recipient country.

JOHN J. GILLIGAN,  
*Administrator.*

DECEMBER 9, 1977.

[FR Doc. 77-36314 Filed 12-20-77; 8:45 am]

[ 4830-01 ]

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[ 26 CFR Part 1 ]

[LR-154-76]

**INCOME TAX**

Investment Credit for Movie and Television Films; Public Hearing on Proposed Regulations

AGENCY: Internal Revenue Service, Treasury.

ACTION: Public Hearing on proposed regulations.

**SUMMARY:** This document provides notice of a public hearing on proposed regulations relating to investment credit for movie and television films and tapes.

**DATES:** The public hearing will be held on March 1, 1978, beginning at 10 a.m. Outlines of oral comments must be delivered or mailed by February 22, 1978.

**ADDRESS:** The public hearing will be held in the I.R.S. Auditorium, Seventh Floor, 7400 Corridor, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, D.C. 20224.

**FOR FURTHER INFORMATION CONTACT:**

George Bradley or Charles Hayden of the Legislation and Regulations Division, Office of Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, D.C. 20224, 202-566-3935, not a toll-free call.

**SUPPLEMENTARY INFORMATION:** The subject of the public hearing is proposed regulations under section 48(k) of the Internal Revenue Code of 1954. These proposed regulations appeared in the FEDERAL REGISTER for December 20, 1977 (42 FR 63791).

The rules of § 601.601(a)(3) of the "Statement of Procedural Rules" (26 CFR Part 601) shall apply with respect to the public hearing. Persons who have submitted written comments within the time prescribed in the notice of proposed rulemaking and who desire to present oral comments at the hearing on the proposed regulations should submit an outline of the comments to be presented at the hearing and the time they wish to devote to each subject by February 22, 1978. The outlines should be submitted to the Commissioner of Internal Revenue, Attn: CC:LR:T (LR-154-76), Washington, D.C. 20224. Each speaker will be limited to 10 minutes for an oral presentation exclusive of time consumed by questions from the panel for the Government and answers to these questions.

Because of controlled access restrictions, attendees can not be admitted beyond the lobby of the Internal Revenue Building until 9:45 a.m.

An agenda showing the scheduling of the speakers will be made after outlines are received from the speakers. Copies of the agenda will be available free of charge at the hearing.

ROBERT A. BLEY,  
*Director, Legislation and Regulations Division.*

[FR Doc. 77-36378 Filed 12-20-77; 8:45 am]

[ 7710-12 ]

**POSTAL SERVICE**

[ 39 CFR Part 257 ]

**PHILATELY**

Revision and Restatement of Policies and Procedures on Philatelic Sales and Cancellations

AGENCY: Postal Service.

ACTION: Proposed rule.

**SUMMARY:** All postal regulations concerning the sale of stamps and other philatelic items or concerning philatelic cancellations are proposed to be revised or restated. In general, this action is proposed to make existing philatelic regulations comply with changed postal operating requirements or to make them complete and clear, because some of the regulations have at times been misunderstood by postal employees and the public. Certain of the changes are proposed in response to expressions from members of the public, where it appears that these changes will not interfere with postal operations.

**DATE:** Comments must be received on or before January 20, 1978.

**ADDRESS:** Written comments should be directed to: General Manager, Stamps Division, U.S. Postal Service, 475 L'Enfant Plaza, W., SW., Washington, D.C. 20260.

Copies of all written comments received will be available for public inspection and photocopying between 9 a.m. and 4 p.m. Monday through Friday, in the office of the Stamps Division, room 5510, Postal Service Headquarters, 475 L'Enfant Plaza, W., SW., Washington, D.C. 20260.

**FOR FURTHER INFORMATION CONTACT:**

Linda Whitehead, on telephone number: 202-245-4956.

**SUPPLEMENTAL INFORMATION:** A detailed description of each section of proposed 39 CFR Part 257 follows:

Section 257.1 The requirement that there be a uniform philatelic policy followed throughout the postal system is restated. The requirement that postal contractors also comply is added. The section codifies the existing but previously unwritten policy that the Postal Service attempts to avoid the creation of philatelic rarities.

Section 257.2 Postal regulations on commemorative stamps and philatelic products are continued. The provision outlines the process by which commemorative stamps are proposed, reviewed, and selected.

Section 257.3 Existing regulations concerning the distribution and requisition of postage stamps are restated with an additional requirement that stamps having a value of 17¢ to 99¢ be adequately stocked. The provision adds a description of the types of stamp selling facilities and the items sold in them and adds a definition of philatelic terms including plate blocks, marginal markings and line pairs or line markings. The existing regulations on establishing and operating temporary philatelic stations are restated and condensed. The existing regulations allowing 100 handstamped cancellations to be provided free to any customer is amended to reduce the number of free cancellations to 50. The proposed regulation consolidates existing references to mail order sales of stamps and limits such sales to the Philatelic Sales Branch.

It explains and outlines sales policies,