whether the time limitations permit it to be presented for answer.

Any further procedural rules needed for the proper conduct of the hearings will be announced by the presiding officer.

A transcript of the hearings will be made and the entire record of the hearings, including the transcript, will be retained by FEA and made available for inspection at the FEA Freedom of Information Office, Room 3116, Federal Building, 12th and Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8 a.m. and 4:30 p.m., Monday through Friday. Any person may purchase a copy of the transcript from the reporter.

As required by section 7(c)(2) of the Federal Energy Administration Act of 1974, Pub. L. 93-275, a copy of this notice has been submitted to the Administrator of the Environmental Protection Agency (EPA) for his comments concerning the impact of this proposal on the quality of the environment. The Administrator had no comments on this proposal.

The proposal has been reviewed in accordance with Executive Order 11821, and OMB Circular Number A-107, issued November 27, 1974, and has been determined not to be of a nature that requires an evaluation of its inflationary impact.

(Emergency Policy Allocation Act of 1973, Pub. L. 93-159, as amended by Pub. L. 94-163; Federal Energy Administration Act of 1974, Pub. L. 93-275; E.O. 11790, 39 FR 23185)

In consideration of the foregoing, it is proposed to amend Part 212 of Chapter II of Title 10, Code of Federal Regulations, as set forth below.

Issued in Washington, D.C., March 3, 1976.

MICHAEL F. BUTLER,
General Counsel,
Federal Energy Administration.

1. Section 212.83 is amended in paragraph (b) in (1), (2), (5), and (6) of the definition of "landed cost"; by adding a definition of "AFRA" immediately preceding "Cost of crude oil," and "Worldscale" immediately following "Transactions between affiliated entities;" and by adding a new paragraph (g), to read as follows:

§ 212.83 Allocation of refiner's increased cost.

* * * * *

(b) *Definitions.*

"AFRA" means the London Tanker Broker's Panel's average freight rate assessment.

* * * * *

"Landed cost" means:

(1) For purposes of covered products other than crude oil, purchased in complete arms-length transactions, the purchase price at the point of origin plus the actual transportation cost.

(2) For purposes of covered products other than crude oil, purchased in arms-length transactions and shipped pursuant to a transaction between affiliated entities, the purchase price at the point of origin plus the transportation cost computed by use of the accounting procedures generally accepted and consistently and historically applied by the firm concerned.

* * * * *

(5) For purposes of crude oil purchased in arms-length transactions, the purchase price plus the cost of transportation from the point of delivery specified in the contract or agreement of purchase to the U.S. port of entry, computed pursuant to § 212.83(g) (the reference loading date being the date that the crude oil was loaded at the point of delivery) plus the cost of transportation from the port of origin to the refinery.

(6) For purposes of crude oil purchased in a transaction between affiliated entities, the cost of crude oil computed pursuant to § 212.84 plus the cost of transportation from the port of the country origin of the crude oil to the U.S. port of entry, computed pursuant to § 212.83(g) (the reference loading date being the date the crude oil was loaded at the port of the country of origin) plus the cost of transportation from the port of origin to the refinery.

* * * * *

"Worldscale" means the Worldwide Tankers Nominal Freight Scale, jointly sponsored and issued by the Association of Ship Brokers and Agents (Worldscale) Inc. and the International Tanker Nominal Freight Scale Association Limited.

* * * * *

(g) *Transportation costs.* For the purposes of this section, transportation costs for the shipment of crude oil between two ports, given a reference loading date, shall be the product of the Worldscale rate between those ports and the AFRA factor applicable to that reference loading date, for the LR-2 class of vessels.

2. Section 212.84 is amended in paragraph (c), and in paragraphs (e)(3) and (e)(6)(i) to read as follows:

§ 212.84 Disallowance of cost.

* * * * *

(c) *Cost of crude oil.* The cost of crude oil allowed in transactions between affiliated entities shall be equal to the price which would prevail if the affiliated entities consistently and continuously dealt with each other at arms-length. A refiner purchasing crude oil from an affiliated entity shall initially set the cost of crude oil at the f.o.b. price at the port of loading in the country of origin which is representative of those prices prevailing in arms-length transactions according to the best information available to the refiner.

* * * * *

(e) * * *

(3) In determining the representative and maximum prices for a reference crude oil, FEA shall consider all transactions reported to FEA for the reference and related crude oils loaded during the month of measurement. For purposes of determining representative and maximum prices for a reference crude oil, FEA shall adjust the price of a related crude oil to the equivalent price of the related reference crude oil on the basis of the difference in the posted prices, tax-reference prices or other official selling prices, as established by the host government for those two crude oils. For delivered sales the price shall be adjusted by subtracting from the purchase price the transportation cost between the port of the country of origin of the crude oil and the port of delivery as calculated pursuant to § 212.83(g). The reference loading date shall be the date that the crude oil was loaded at the port of the country of origin, if that date is known; otherwise, the reference loading date shall be one month prior to the date on which delivery was made. If the delivered price includes delivery beyond the port of entry, the cost of such additional transportation shall also be subtracted from the purchase price.

* * * * *

(6) * * *

(i) The transportation adjustment shall be equal to the difference in the cost of shipping from the points of loading to the appropriate points of landing as calculated by § 212.83(g); the reference loading date shall be the month for which the adjustment is being made.

* * * * *

[FR Doc.76-6014 Filed 3-4-76;10:36 am]

FEDERAL RESERVE SYSTEM

[12 CFR Part 226]

[Reg. Z; Docket No. R-0021]

SINGLE-COMPONENT FINANCE CHARGES

Proposed Rulemaking on Disclosure

The Board of Governors of the Federal Reserve System (hereafter Board) proposes to amend §§ 226.8(c)(8)(i) and 226.8(d)(3) of Regulation Z to specifically provide that a finance charge consisting solely of one type of charge need not be individually described as to the nature of the charge. In such cases, use of the term "finance charge" is sufficient identification pursuant to Regulation Z. The amendments would not affect the requirement for a description of each amount included in the finance charge where the total charge is composed of more than one element.

The proposed amendments reflect the position stated by the Board in Interpretation § 226.820, issued on November 21, 1975. That interpretation was intended to alleviate the uncertainty resulting from the decision in *Ives v. W. T. Grant Co.*, (2nd Cir. 1975), 4 CCH CCG ¶98,561, in which the United States Court of Appeals for the Second Circuit held that failure to individually describe the type of charge when there is a single element finance charge violated the Truth in Lending Act. Those district courts which had recently considered this issue were divided on the necessity for such description. The growing uncertainty over the proper interpretation of §§ 226.8(c)(8)(i), and 226.8(d)(3) in such cases indicated to the Board the need for an official statement on this issue. As the agency responsible for promulgating §§ 226.8(c)(8)(i) and 226.8(d)

(3), pursuant to its implementing authority under the Truth in Lending Act, the Board issued Interpretation § 226.820 to clarify the application of those sections to transactions involving single-element finance charges. That interpretation reaffirmed the position taken in the illustrative forms in the first Regulation Z pamphlet, as well as in various opinion letters issued by the Board's staff.

A recent suit filed against the Board in the United States District Court for the District of Connecticut calls into question the position stated in Interpretation § 226.820. In *Hatten v. Board of Governors* (D.C. Conn., Civ. No. N76–14, filed January 7, 1976), plaintiffs allege, *inter alia*, that Interpretation § 226.820 was a substantive rule of general applicability as to which the Board was obligated to follow the notice-and-comment rulemaking procedures of the Administrative Procedure Act.

The Board believes that Interpretation § 226.820 was exempt from the usual rulemaking procedures of the APA pursuant to 5 U.S.C. 553(d)(2) and that it correctly construed the present language of the Truth in Lending Act and Regulation Z. However, to remove any uncertainty that may exist regarding this matter, and further to provide an opportunity to consider some broader related issues, the Board has decided to solicit public comment on the question of whether Regulation Z should be changed to: (1) make it even clearer that required itemization of finance charges is limited to multiple-element finance charges, or (2) require such itemization even in the case of a single-element finance charge, or (3) eliminate the requirement for itemization in all cases. Pending final Board action in this rulemaking proceeding, Interpretation § 226.820 will remain in effect.

Pursuant to the authority granted in 15 U.S.C. 1604 (1968), the Board proposes to amend Regulation Z, 12 CFR Part 226, as follows:

Section 212.8 is amended by revising paragraph (c)(8)(i), and amending paragraph (d)(3) as follows:

§ 226.8 Credit other than open end—specific disclosures.

* * * * *

(c) *Credit sales* * * *

(8) * * *

(i) The total amount of the finance charge, using the term "finance charge," and where the total charge consists of two or more types of charges, a description of the amount of each type, and

* * * * *

(d) *Loans and other nonsale credit* * * *

(3) * * * the total amount of the finance charge,[11] using the term "finance charge," and where the total charge consists of two or more types of charges, a description of the amount of each type.

To aid in the consideration of this matter by the Board, interested persons are invited to submit relevant data, views, comments, or arguments. Any such material should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, to be received not later than April 9, 1976. All material submitted should include the docket number R–0021.

This notice is published pursuant to section 553(b) of Title 5, United States Code, and section 262.2(a) of the rules of procedure of the Board of Governors of the Federal Reserve System (12 CFR 262.2(a)).

By order of the Board of Governors, February 27, 1976.

[SEAL] THEODORE E. ALLISON, *Secretary to the Board.*

[FR Doc.76-6611 Filed 3-8-76;8:45 am]

[11] The disclosure required by this subparagraph need not be made with respect to interim student loans made pursuant to federally insured student loan programs under Public Law 89-329, Title IV, Part B of the Higher Education Act of 1965, as amended.

SECURITIES AND EXCHANGE COMMISSION

[17 CFR Parts 240, 249]

[Release 34-12153, File No. S7-617]

REGISTRATION OF CLASSES OF SECURITIES

Proposed Termination

Notice is hereby given that the Securities and Exchange Commission has under consideration a proposed rule under section 12(g) of the Securities Exchange Act of 1934 ("the Act"). Section 12(g)(4) provides for termination of registration for a class of security registered under section 12(g) when the record ownership of that class is reduced to less than 300 holders. Registration terminates 90 days after the issuer files a certification to that effect or within such shorter time as the Commission may direct. The Commission has not adopted a specific form or prescribed the exact format to be used by issuers certifying pursuant to this subsection.

The proposed rule, which would require the filing of a form with the Commission by an issuer certifying that the number of holders of record of a class of security is reduced to less than 300 persons, will facilitate compliance with the Act, expedite the processing of the certification by the staff and would parallel the requirement under Rule 15d–6.

Since the information required by the form under the proposed rule will generally be the same as is now required by Form 15d–6, the Commission is proposing to amend that form to consolidate it with a new form to be used for filing notices under Rule 15d–6 and certifications under the proposed Rule 12g–4.

The proposed rule is as follows:

17 CFR Part 240 would be amended by adding a new § 240.12g–4 to read as follows:

§ 240.12g–4 Certification of termination of registration under section 12(g) of the Act.

Pursuant to section 12(g)(4) of the Act, termination of registration of a class of security shall take effect 90 days, or such shorter period as the Commission may determine, after the issuer certifies to the Commission on Form 18g–4/15d–6 that the number of holders of record of such class of security is reduced to less than 300 persons. If the issuer has merged into or consolidated with another issuer or issuers, the form shall be filed by the successor issuer. The form shall be filed in addition to any other report required to be filed with the Commission in connection with the transaction or event which resulted in this decrease in the number of holders of record.

(Sec. 12, Pub. L. 92-299 which amends 15 U.S.C. 78l)

17 CFR Part 249 would be amended by adding a new § 249.323 and revising § 249.333 to read as follows:

§ 249.323 Form 12g–4, for certification to terminate registration of a class of security under section 12(g) of the Act.

This form shall be filed by each issuer to certify that the number of holders of record of a class of security registered under section 12(g) of the Securities Exchange Act of 1934 is reduced to less than 300 holders. Registration terminates 90 days after the filing of the certificate or within such shorter time as the Commission may direct. Copies of this form may be obtained from the Commission on request.

NOTE.—A binomial form for use also in reporting on Form 15d–6.

§ 249.333 Form 15d–6, for suspension of duty to file reports pursuant to section 15(d) of the Securities Exchange Act of 1934.

This form shall be filed by each issuer required to file reports pursuant to section 15(d) of the Securities Exchange Act of 1934, as a notification that the duty to file such reports is suspended because at the beginning of the fiscal year in which such reports would be required all securities of each class of such issuer registered under the Securities Act of 1933 are held of record by less than 300 persons. This form shall be filed within 30 days after the beginning of such fiscal year to which it pertains. Copies of this form may be obtained from the Commission on request.

NOTE: A binomial form for use also in reporting on Form 12g–4.

All interested persons are invited to submit their views and comments on this proposal to George A. Fitzsimmons, Secretary, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549, on or before April 19, 1976. All such communications should refer to File No. S7–617 and will be available for public inspection.

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

MARCH 1, 1976.

[FR Doc.76-6676 Filed 3-8-76;8:45 am]