submitted to the appropriate CSA administering office and have been approved in writing. After initial approval and so long as there is a grant relationship between CSA and the grantee, these articles and bylaws shall not be amended without the written concurrence of the appropriate CSA administering office.

3. *Issuance of Securities.* There shall be no issuances of securities either by the grantee or by a delegate agency without prior approval of the appropriate CSA administering office. Copies of any registration statement or notification or prospectus or offering circular prepared in conjunction with an issuance of securities should be sent to the appropriate CSA administering office. Copies of any other documents which the issuer is required to file in connection with any issuance of securities, whether by Federal securities laws or by state blue sky laws, should be sent to the appropriate CSA administering office.

4. *Use of Consultants.* a. Consultant fees, other than fees for legal services, shall not exceed $100 per day and shall be based on written evidence as to the normal salary or wage level received by the individual consultant. The grantee or delegate agency, however, may compensate a consultant at a rate in excess of $100 per day upon the determination of the Chief Executive Officer of the grantee or of the delegate agency that:

(1) There is a special task which cannot be performed by the salaried staff; there is a need for consultant services of a special character; and these services are not readily available through any CSA contracts for technical assistance made under section 712 of the Economic Opportunity Act of 1964, as amended;

(2) The consultant selected to perform the task is specifically qualified by experience and credentials;

(3) The consultant is normally paid a like amount for similar services; and

(4) There is evidence that no consultant of equal experience and credentials is available for a lesser amount.

b. In addition to the quarterly financial reports submitted to the appropriate CSA administering office as required in § 1050, Subpart H, the grantee or delegate agency shall maintain on file the following information with respect to each consultant who has been paid a fee in excess of $100 per day during the quarter covered by the report:

(1) The consultant's name;

(2) The date the employment was authorized by the Chief Executive Officer;

(3) A brief description of the task or tasks performed;

(4) The consultant's fee per day;

(5) The total amount of the fee paid to the consultant during the quarter;

(6) The amount paid to the consultant for other expenses; and

(7) The aggregate amount paid to the consultant for the quarter covered by the report and for all previous quarters.

5. *Encumbrance of Assets Acquired with Grant Funds.* Neither the grantee nor its delegate agency may mortgage or otherwise encumber stock or other assets acquired with grant funds without the prior written approval of the appropriate CSA administering office.

2. In 45 CFR 1067.40-3 paragraph (g) is redesignated paragraph (h) and the following new paragraph (g) is added:

§ 1067.40-3 Application process for funds under title II, sections 221, 222(a), and 231 of the EOA.

* * * * *

(g) *Additional required documents when grant funds are used as venture capital.* When a grantee proposes to undertake an activity using Title II funds as venture capital, the venture must be reported as an activity on CSA Form 419 of the grant application, for which the appropriate Standards of Effectiveness (§ 1067.4) must be addressed. If the grantee will not operate the venture itself, it shall arrange to sign a delegate agency contract, CSA Form 280, with the organization which will operate the venture. See § 1063.131 of this chapter for a discussion of the requirements for these contracts. In addition, the grantee shall submit the following materials, as appropriate, in support of the Form 419:

(1) Documentation that there will be no substantial negative impact on existing small businesses;

(2) Appropriate feasibility studies and cost analyses;

(3) Certified balance sheets and profit and loss statements for the immediately preceding three years or from the commencement of its operation (whichever period is shorter) if funds are to be used for the acquisition, preservation, or expansion of an existing business venture;

(4) Cash-flow projections and proforma profit and loss statements and balance sheets estimated on a monthly basis for two years;

(5) Resumes of the management team;

(6) The articles of incorporation and the bylaws of the venture.

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DEPARTMENT OF TRANSPORTATION

Research and Special Programs Administration

49 CFR Parts 192 and 195

[Docket PS-64, Notice 1]

Transportation of Natural and Other Gas by Pipeline Transportation of Hazardous Liquids by Pipeline; Qualification of Metallic Components

AGENCY: Materials Transportation Bureau, DOT.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: This notice proposes criteria to qualify for use under Parts 192 and 195 metallic pipeline components manufactured according to editions of documents incorporated by reference that: (1) Are not listed as applicable editions to those referenced documents and (2) predate the earliest applicable effective dates of Parts 192 and 195. Current requirements unnecessarily restrict the usage of such components. The new criteria would apply to gas pipeline facilities as defined in Part 192, and to interstate and intrastate pipeline facilities used in the transportation of hazardous liquids as those terms are defined in the Hazardous Liquid Pipeline Safety Act of 1979 (Title II of Pub. L. 96-129, November 30, 1979).

DATES: Interested persons are invited to submit written comments on this proposal before April 30, 1980.

ADDRESS: Comments should be sent in triplicate to: Docket Branch, Materials Transportation Bureau, Department of Transportation, Washington, D.C. 20590. Comments submitted will be available for review and copying before and after the closing date at the Docket Branch, Room 8426, Nassif Building, 400 7th Streets SW., Washington, D.C., between 8:30 a.m. and 5:00 p.m. each working day. Late filed comments will be considered to the extent practicable.

FOR FURTHER INFORMATION CONTACT: Paul J. Cory, 202-426-2392.

SUPPLEMENTAL INFORMATION: Under the present requirements of Parts 192 and 195, various metallic pipeline components (other than pipe) may not be installed in pipelines unless manufactured in accordance with an applicable edition of a document that has been incorporated by reference into the standards. In Part 192, the applicable editions of referenced documents are set out in Appendix A, and in Part 195, they are listed in § 195.3. Hence, in many cases, items that were manufactured to early editions of documents, of which a later edition has been referenced, may

not be used under Parts 192 or 195. For example, a valve manufactured to the 1964 edition of the API 6D, "Specification for Pipeline Valves", cannot be installed or relocated in a pipeline, since the earliest applicable edition of API 6D referenced in Appendix A of Part 192 and § 195.3 is the 1968 edition. This precludes the use of such a valve in a new pipeline or the relocation of such valve from one location in a pipeline to another location in the same pipeline. In addition, this could preclude the relocation of prefabricated units designed to be portable, such as skid mounted gas scrubbers, pressure regulating stations, and measurement stations.

The Interstate Natural Gas Association of America (INGAA), in a petition (Pet. 77-14) for rulemaking dated August 18, 1977, pointed out that to properly operate and maintain pipeline facilities and provide for possible emergency situations, it is necessary for pipeline operators to store or maintain on hand quantities of components for use in existing facilities. Many of these components were purchased new and have not been in service, while some have been removed from service and reconditioned or determined to be in a condition that meets the requirements of the standards to which they were manufactured. Due to wide variations of pressure ratings, temperature ranges, design factors, size, etc., and other variables that may be required for a specific pipeline, it is not always possible to rotate stock in a manner that maintains components in compliance with the most recent editions of documents incorporated by reference. While current standards alleviate this problem somewhat by permitting continued use of components manufactured to earlier listed editions of such documents, some items have been manufactured to editions that predate the earliest listed editions. Any stock of components manufactured to an unlisted edition of a referenced document, even though in serviceable condition for use, most often cannot be installed in compliance with Parts 192 or 195.

In addition to components in stock, it is also frequently advantageous to remove components from service at one location and reinstall them at another location. For example, thousands of skid mounted (portable) units for gas measurement, compression, and treating now in service are designed to be removed from one location and used at another, as needed for temporary or limited duration service. Relocation of equipment such as valves, gas metering, gas treating, field compressors, and similar type facilities containing components manufactured to an earlier unlisted edition of a later referenced document is not permitted. The present standards would in effect require the purchase of new components in lieu of reusing such serviceable items. In addition to the financial loss on components in stock, the inability to reuse or reinstall safe components imposes an apparently unwarranted financial burden on the operators and the consuming public.

INGAA estimates that its 28-member pipeline operators alone have on hand $22.5 million (1977 prices) worth of components other than pipe that would be prohibited, or at best questionable, for use in compliance with Part 192. The components involved consist primarily of valves, flanges, pressure vessels (e.g., scrubbers, separators, pulsation chambers, etc.), and related items. To illustrate the possible impact of these costs nationwide, MTB received 609 annual reports for 1978 from operators of gas transmission pipelines, of which the 28 INGAA members would be among the largest, however, the other gas transmission pipeline operators and many distribution pipeline operators would have the same basic problem with pipeline components in stock. In addition, MTB estimates there are a substantial number of operators of interstate and intrastate pipeline facilities used in the transportation of hazardous liquids that would also have this problem. In view of the preceding discussion, MTB believes the economic loss in replacing the components involved, simply because they were manufactured to an edition of a referenced document that precedes the earliest listed edition to that document is not cost effective. MTB further believes components falling in this category should be permitted for use if it can be determined that the components are safe for use in the intended service.

MTB believes that in determing whether the subject component is safe for use, it should be minimally required that the physical and chemical properties of the component's materials be substantially the same as required by a listed edition of the document used in the manufacture of a similar component. In addition, the component must have been subjected to pressure testing substantially the same as required by the same listed edition.

Appendix B-III of Part 192 sets forth requirements for qualifying steel pipe manufactured to an earlier edition of a listed specification. MTB believes these requirements very clearly state the elements that would also be appropriate for similarly qualifying metallic components. Therefore, MTB has used Appendix B-III as the basis for proposing requirements to qualify for use, under Parts 192 and 195, metallic components manufactured to an edition of a document incorporated by reference that predates the earliest listed edition and the earliest applicable effective dates of Parts 192 and 195. However, MTB is not proposing that components be subjected to a stringent field pressure test as required in some cases for qualifying pipe under Appendix B-III because pressure testing during manufacturing required by the appropriate documents incorporated by reference in Appendix A of Part 192 and in § 195.3 consistently specify factory test pressures of at least 1.5 times the rated maximum operating pressure. In addition, such components would have to be subjected to hydrostatic testing under the requirements of Subpart J of Part 192 and Subpart E of Part 195 after they are installed in a pipeline and before operation.

The MTB has determined that this proposed rule will not result in a major economic impact under the terms of Executive Order 12044 and DOT implementing procedures (44 FR 11034). If adopted, this proposal will eliminate unnecessary costs to the pipeline industry and, therefore, does not require a full Draft Evaluation under DOT procedures.

In consideration of the foregoing, MTB proposes that Parts 192 and 195 of Title 49, Code of Federal Regulations, be amended as follows:

PART 192—TRANSPORTATION OF NATURAL AND OTHER GAS BY PIPELINE: MINIMUM FEDERAL SAFETY STANDARDS

1. By adding a new § 192.144 to read as follows:

§ 192.144 Qualifying metallic components.

Notwithstanding any requirement of this subpart which incorporates by reference an edition of a document listed in Appendix A of this part, a metallic component manufactured before April 1, 1970, in accordance with an edition of that document published before the earliest listed edition is qualified for use under this part if—

(a) The component is clean enough to permit adequate inspection and is visually inspected to ensure that there are no defects which might impair the strength or tightness of the component, and

(b) The edition of the document under which the component was manufactured has substantially the same requirements for the following as a later edition of that document listed in Appendix A:

(1) Pressure test;

(2) Physical (mechanical) and chemical properties and testing to verify those properties; and

(3) For a component that is fabricated by welding, nondestructive inspection of welded seams and standards for acceptance or rejection and repair of welded seams.

PART 195—TRANSPORTATION OF LIQUIDS BY PIPELINE

2. By adding a new § 195.101 to read as follows:

§ 195.101 Qualifying metallic components.

Notwithstanding any requirement of the subpart which incorporates by reference an edition of a document listed in § 195.3, a metallic component manufactured before April 1, 1970, in accordance with an edition of that document published before the earliest listed edition is qualified for use under this part if—

(a) The component is clean enough to permit adequate ispection and is visually inspected to ensure that there are no defects which might impair the strength or tightness of the component; and

(b) The edition of the document under which the component was manufactured has substantially the same requirements for the following as a later edition of that document listed in § 195.3:

(1) Pressure test;

(2) Physical (mechanical) and chemical properties and testing to verify those properties; and

(3) For a component that is fabricated by welding, nondestructive inspection of welded seams and standards for acceptance or rejection and repair of welded seams.

(49 U.S.C. 1672; 49 U.S.C. 1804 for offshore gas gathering lines; sec. 203 of the Hazardous Liquid Pipeline Safety Act of 1979 (Title II of Pub. L. 96-129, November 30, 1979); 49 CFR Parts 1.53, Appendix A of Part 1 and Appendix A of Part 106)

Issued in Washington, D.C., on February 26, 1980.

Cesar De Leon,

Associate Director for Pipeline Safety Regulation, Materials Transportation Bureau.

[FR Doc. 80-6531 Filed 2-29-80; 8:45 am]

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National Highway Traffic Safety Administration

49 CFR Part 571

[Docket No. 80-02; Notice 1]

Federal Motor Vehicle Safety Standards; New Pneumatic Tires—Passenger Cars

AGENCY: National Highway Traffic Safety Administration, Transportation.

ACTION: Notice of proposed rulemaking.

SUMMARY: Pursuant to a petition filed by the Rubber Manufacturers Association (RMA), this notice proposes an amendment of Federal Motor Vehicle Safety Standard No. 109, *New Pneumatic Tires—Passenger Cars.* This amendment would modify Appendix A of that Standard to increase the loading schedules for certain tire sizes, thereby allowing the use of those tires sizes on passenger cars which require greater loadcarrying capacity than the passenger cars on which the tire sizes can presently be used. RMA has submitted test data to show that the tire sizes will satisfy all the performance requirements of Standard No. 109 when tested at the increased loads.

DATE: Comment closing date: April 2, 1980.

ADDRESSES: Comments should refer to Docket No. 80- , and be submitted to Docket Section, National Highway Traffic Safety Administration, Room 5108, 400 Seventh Street, S.W., Washington, D.C. 20590. Docket hours are 8:00 a.m. to 4:00 p.m. Monday through Friday.

FOR FURTHER INFORMATION CONTACT: John Diehl, Office of Automotive Ratings, National Highway Traffic Safety Administration, 400 Seventh Street, S.W., Washington, D.C. 20590 (202-426-1714).

SUPPLEMENTARY INFORMATION: The loading schedules for the tire sizes listed in Appendix A of Federal Motor Vehicle Safety Standard No. 109 (49 CFR 571.109) indicate the maximum load each specified tire size can safely carry at certain designated inflation pressures. These loading schedules are derived from a mathematical formula, which factors in the inflation pressure of the tire, the cross sectional diameter of the tire, the diameter of the rim on which the tire is mounted, and a "K factor". The numerical value assigned to the K factor has been established on the basis of service experience with the type of tire, and acts to hold the percentage of tire deflection within certain acceptable limits. Tire deflection is the difference between the unloaded section height of the tire and its loaded section height. To ensure that the tire will be able to perform properly at a given load, the tire deflection should not exceed 16-18 percent. The K factor assigned to a given tire size depends on the design factors of the tire, such as whether it is bias ply or radial.

When the P-metric tires were introduced in the 1975 model year, one K factor was used for the 75 and 80 series P-metric tires and a different one for the 60 and 70 series P-metric tires. P-metric tires are tires whose dimensions are expressed in metric units, and are designed to be operated at a higher inflation pressure than other tires. At that time, the K factors assigned to these tires was derived from the formula for comparable alphanumeric tires, which resulted in a lower K factor for the 60 and 70 series. Alphanumeric tires are tires whose dimensions are expressed in inches, and whose load-carrying capacity is indicated in the size designation. With respect to the smaller diameter 60 and 70 series P-metric tires, a lower K factor was also assigned to ensure that the treadwear would not be accelerated.

However, the experience gained with the P-metric tires has shown that the smaller 60 and 70 series can safely carry loads calculated according to the same K factor as the larger P-metric tires use. Further, the treadwear when the smaller tires are subjected to these increased loads is not unduly accelerated. Accordingly, the tire manufacturers' trade associations have published loading schedules for all P-metric tires using the K factor originally assigned to just the larger P-metric tire series.

RMA filed a petition with this agency requesting that the National Highway Traffic Safety Administration (NHTSA) follow suit, and use this new K factor to increase the loads shown for the smaller P-metric tire series in Appendix A of Standard No. 109. This agency granted that petition in a notice published at 44 FR 47966, August 16, 1979. In its petition, RMA submitted data showing that the smaller P-metric tire sizes fully comply with the performance requirements of Standard No. 109 when loaded according to the increased loading schedules which result from using the new K factor. After reviewing that data carefully, NHTSA has tentatively concluded that there is not any safety hazard associated with the requested increases of the permissible loads for these tires.

In consideration of the foregoing, NHTSA hereby proposes that 49 CFR Part 571.109 be amended as specified below: