deduction for depreciation shall begin as of the time such depreciation deduction would have been taken but for the election under section 187. See subparagraph (2) of this section for rules as to filing amended returns for years for which amortization deductions have been taken.

(d) *Examples.* This section may be illustrated by the following examples:

Example (1). On September 30, 1970, the X Corporation, which uses the calendar year as its taxable year, places in service a piece of coal mine safety equipment required as a result of the Federal Coal Mine Health and Safety Act of 1969 which is certified as indicated in paragraph (a) of § 1.187–2. The cost of the equipment is $120,000. On its income tax return filed for 1970, the corporation elects to take the amortization deductions allowed by section 187(a) with respect to the equipment and to begin the 60-month amortization period with October 1970, the month following the month in which it was placed in service. The adjusted basis at the end of October 1970 (determined without regard to the amortization deduction allowed by section 187(a) for that month) is $120,000. The allowable amortization deduction with respect to such equipment for the taxable year 1970 is $6,000, computed as follows:

Monthly amortization deductions:	
October: $120,000 divided by 60	$2,000
November: $118,000 ($120,000 minus $2,000) divided by 59	2,000
December: $116,000 ($118,000 minus $2,000) divided by 58	2,000
Total amortization deduction for 1970	6,000

Example (2). Assume the same facts as in example (1). Assume further that on May 20, 1972, X properly files notice of its election to discontinue the amortization deductions with the month of June 1972. The adjusted basis of the equipment as of June 1, 1972 (assuming no capital additions or improvements) is $80,000, computed as follows: Yearly amortization deductions computed in accordance with example (1):

1970	$6,000
1971	24,000
1972 (for the first 5 months)	10,000
Total amortization deductions for 20 months	40,000
Adjusted basis at beginning of amortization period	120,000
Less: Amortization deductions	40,000
Adjusted basis as of June 1, 1972	80,000

Beginning as of June 1, 1972, the deduction for depreciation under section 167 is allowable with respect to the property on its adjusted basis of $80,000.

Example (3). Assume the same facts as in example (1), except that on its income tax return filed in 1970, X does not elect to take amortization deductions allowed by section 187(a) but that on its income tax return filed for 1971 X elects to begin the amortization period as of January 1, 1971, the taxable year succeeding the taxable year the equipment was placed in service. Assume further that the only adjustment to basis for the period October 1, 1970, to January 1, 1971, is $3,000 for depreciation (the amount allowable, of which $2,000 is for additional first year depreciation under section 179) for the last 3 months of 1970. The adjusted basis (for determining gain) for purposes of section 187 as of that date is $120,000 less $3,000 or $117,000.

§ 1.187–2 Definitions.

(a) *Certified coal mine safety equipment—(1) In general.* (i) The term "certified coal mine safety equipment" means property which—

(*a*) Is electric face equipment (within the meaning of section 305 of the Federal Coal Mine Health and Safety Act of 1969) required in order to meet the requirements of section 305(a)(2) of such Act,

(*b*) The Secretary of the Interior or the Director of the Bureau of Mines certifies is permissible within the meaning of such section 305(a)(2), and

(*c*) Is placed in service (as defined in subparagraph (2)(i) of this paragraph) before January 1, 1975.

(ii) In addition, property placed in service in connection with any used electric face equipment which the Secretary of the Interior or the Director of the Bureau of Mines certifies makes such used electric face equipment permissible shall be treated as a separate item of certified coal mine safety equipment. See subparagraph (2)(ii) of this paragraph.

(2) *Meaning of terms.* (i) For purposes of subparagraph (1)(i)(*a*) of this paragraph, the term "placed in service" shall have the meaning assigned to such term in paragraph (d) of § 1.46–3.

(ii) For purposes of subparagraph (1)(ii) of this paragraph, the term "property" includes those costs of converting existing nonpermissible electric face equipment to a permissible condition which are chargeable to capital account under the principles of § 1.1016–2. Property is considered to be placed in service in connection with used electric face equipment (which was not permissible) if its use causes such electric face equipment to be certified as permissible.

(b) *Adjusted basis—(1) In general.* The basis upon which the deduction with respect to amortization allowed by section 187 is to be computed with respect to any item of certified coal mine safety equipment shall be the adjusted basis provided in section 1011 for the purpose of determining gain on the sale or other disposition of such property (see part II (section 1011 and following) subchapter O, chapter 1 of the Code) computed as of the first day of the amortization period. For an example showing the determination of the adjusted basis referred to in the preceeding sentence in the case where the amortization period begins with the taxable year succeeding the taxable year in which the property is placed in service see example (3) in paragraph (d) of § 1.187–1.

(2) *Capital additions.* The adjusted basis of any certified coal mine safety equipment, with respect to which an election is made under section 187(b), shall not be increased, for purposes of section 187, for amounts chargeable to the capital account for additions or improvements after the amortization period has begun. However, nothing contained in this section or § 1.187–1 shall be deemed to disallow a deduction for depreciation for such capital additions. Thus, for example, if a taxpayer places a piece of certified coal mine safety equipment in service in 1971 and in 1972 makes improvements to it the expenditures for which are chargeable to the capital account, such improvements shall not increase the adjusted basis of the equipment for purposes of computing the amortization deduction allowed by section 187(a). However, the depreciation deduction provided by section 167 shall be allowed with respect to such improvements in accordance with the principles of section 167.

PAR. 2. Paragraph (c)(1) of § 1.179–1 is amended by adding the following new (c) and (*d*) to subdivision (iii) thereof. These added provisions read as follows:

§ 1.179–1 Additional first-year depreciation allowance.

* * * * *

(e) *When allowance is available.*

(1) * * *

(iii) * * *

(c) Qualified railroad rolling stock which the taxpayer elects to amortize under the provisions of section 184.

(*d*) A piece of certified coal mine safety equipment which the taxpayer elects to amortize under the provisions of section 187.

* * * * *

[FR Doc.71-7362 Filed 5-25-71;8:53 am]

DEPARTMENT OF JUSTICE

Bureau of Narcotics and Dangerous Drugs

[21 CFR Part 308]

SCHEDULES OF CONTROLLED SUBSTANCES

Proposed Transfer of Amphetamine and Methamphetamine and Their Salts, Optical Isomers, and Salts of Their Optical Isomers From Schedule III to Schedule II, With Certain Exceptions

Based upon the investigations of the Bureau of Narcotics and Dangerous Drugs and upon the scientific and medical evaluation and recommendation of the Secretary of Health, Education, and Welfare, received pursuant to section 201(b) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 811(b)), the Director of the Bureau of Narcotics and Dangerous Drugs finds that amphetamines and methamphetamine and their salts, optical isomers and salts of their optical isomers:

(1) Have a high potential for abuse;

(2) Have a currently accepted medical use in treatment in the United States with severe restrictions; and

(3) That abuse of these substances may lead to severe psychological dependence.

Therefore, under the authority vested in the Attorney General by section 201 (a) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 811(a)), and redelegated to the Director, Bureau of Narcotics and Dan-

gerous Drugs by § 0.100 of Title 28 of the Code of Federal Regulations, the Director proposes a ruling that:

1. Section 308.12(d) of Title 21 of the Code of Federal Regulations be deleted and replaced with a new subparagraph to read:

§ 308.12 Schedule II.

* * * * *

(d) *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) Amphetamine, its salts, optical isomers, and salts of its optical isomers 1,100
(2) Methamphetamine, its salts, optical isomers, and salts of its optical isomers 1,105

2. That § 308.13(b) of Title 21 of the Code of Federal Regulations be amended to read:

§ 308.13 Schedule III.

* * * * *

(b) *Stimulants.* Unless specifically excepted or unless listed in another schedule, any material, compound, mixture, or preparation which contains any quantity of the following substances having a stimulant effect on the central nervous system:

(1) Phenmetrazine and its salts..... 1,630
(2) Methylphenidate 1,726
(3) Those compounds, mixtures or preparations in dosage unit form containing any stimulant substance which are currently listed as excepted compounds under 21 CFR 308.32, and any other drug of the quantitative composition shown in that list for those drugs or which is the same except that it contains a lesser quantity of controlled substances.

* * * * *

All interested persons are invited to submit their comments or objections in writing regarding this proposal. These comments or objections should state with particularity the issues concerning which the person desires to be heard. Comments and objections should be submitted in quintuplicate to the Office of Chief Counsel, Bureau of Narcotics and Dangerous Drugs, Department of Justice, Room 611, 1405 Eye Street NW., Washington, DC 20537, and must be received no later than 30 days after publication of this proposal in the FEDERAL REGISTER.

In the event that an interested party submits objections to this proposal which present reasonable grounds for this rule not to be finalized and requests a hearing in accordance with 21 CFR 308.45, the party will be notified by registered mail that a hearing on these objections will be held at 10 a.m. on June 30, 1971, in Room 1210, 1405 Eye Street NW., Washington, DC 20537. If objections submitted do not present such reasonable grounds, the party will so be advised by registered mail.

If no objections presenting reasonable grounds for a hearing on the proposal are received within the time limitations, and all interested parties waive or are deemed to waive their opportunity for the hearing or to participate in the hearing, the Director may cancel the hearing and, after giving consideration to written comments, issue his final order pursuant to 21 CFR 308.48 without a hearing.

A petition dated May 14, 1971, was submitted to the Director by counsel for the American Public Health Association and the D.C. Public Health Association under the provisions of section 201(a) of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 811(a)) requesting that the Director initiate the above proceedings. This petition was received after the Director had requested from the Secretary of the Department of Health, Education, and Welfare the scientific and medical evaluations required under the statute (21 U.S.C. 811(b)). Accordingly, since the Director had already determined to initiate proceedings of the type requested by the petition, the petition will be considered as a request for appearance in the proceedings.

Dated: May 21, 1971.

JOHN E. INGERSOLL,
Director, Bureau of Narcotics & Dangerous Drugs.

[FR Doc.71-7351 Filed 5-25-71;8:53 am]

POST OFFICE DEPARTMENT

[39 CFR Ch. I]

INTERNATIONAL POSTAL SERVICE

Proposed Changes in Rates and Fees

Correction

In F.R. Doc. 71-6826 appearing at page 8879 in the issue for Friday, May 14, 1971, the table under "2. All other countries." in the third column should read as follows:

Ounces	Books and sheet music	Publishers' second class	Publishers' controlled circulation
2	$0.14	$0.04	$0.05
4	.14	.06	.07
8	.14	.10	.11
16	.17	.17	.20
32	.28	.28	.34
64	.48	.48	.53
Each additional 32 ounces.	.24	.24	.29

DEPARTMENT OF AGRICULTURE

Consumer and Marketing Service

[7 CFR Part 916]

NECTARINES GROWN IN CALIFORNIA

Notice of Proposed Rule Making

Consideration is being given to the following proposals submitted by the Nectarine Administrative Committee, established under the marketing agreement, as amended, and Order No. 916, as amended (7 CFR Part 916), regulating the handling of nectarines grown in California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), as the agency to administer the terms and provisions thereof:

(1) That expenses that are reasonable and likely to be incurred by the Nectarine Administrative Committee, during the period March 1, 1971, through February 29, 1972, will amount to $326,234;

(2) The rate of assessment for such period, payable by each handler in accordance with § 916.41 to be fixed at $0.05 per No. 22D standard lug box, or equivalent quantity of nectarines in other containers or in bulk.

Terms used in the marketing agreement, as amended, and order, as amended, shall, when used herein, have the same meaning as is given to the respective term in said amended marketing agreement and order, and "No. 22D standard lug box" shall have the same meaning as set forth in section 43601 of the Agricultural Code of California.

All persons who desire to submit written data, views, or arguments in connection with the aforesaid proposals should file the same, in quadruplicate, with the Hearing Clerk, U.S. Department of Agriculture, Room 112, Administration Building, Washington, D.C. 20250, not later than the 10th day after the publication of this notice in the FEDERAL REGISTER. All written submissions made pursuant to this notice will be made available for public inspection at the office of the Hearing Clerk during regular business hours (7 CFR 1.27(b)).

Dated: May 21, 1971.

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

[FR Doc.71-7334 Filed 5-25-71;8:53 am]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 144]

PYRIMETHAMINE, SULFAQUINOXALINE

Extension of Time for Filing Election for Hearing and for Filing Comments on Proposal To Revoke Exemption From Certification

A notice published in the FEDERAL REGISTER of March 25, 1971 (36 F.R. 5638), offering an opportunity for a hearing on a proposal to withdraw the approval of NADA (new animal drug application) No. 9-302V, provided interested persons a period of 30 days for filing a written appearance of election to avail themselves of an opportunity for a hearing. Another notice published in the FEDERAL REGISTER of March 25, 1971 (36 F.R. 5619), proposing to revoke the exemptions from certification of animal feeds containing antibiotics with pyrimetha-