Part 39 of the Federal Aviation Regulations is amended by amending AD 63-26-3, as follows:

Applies to Piper Models PA-23 and PA-23-160 Aircraft, Serial Nos. 23-1 through 23-1267, inclusive.

Compliance required as indicated:

(a) Within the next 50 hours in service after the effective date of this AD, unless already accomplished within the last 50 hours in service, and thereafter at intervals not to exceed 100 hours in service from the last inspection, visually inspect for cracks each of the castings listed herein. When any casting is replaced by the respective forging listed herein, the repetitive inspections of this paragraph and paragraph (b) are no longer required for that forging.

| Name | Casting part No. | Forging |
|---|---|---|
| Elevator torque tube bracket. | 17033-00 and 17033-01. | 19407-00. |
| Front stabilizer attachment. | 17049-00 and 19253-00. | 19409-02. |
| Rudder torque tube horn | 17060-00 | 19405-00. |
| Elevator torque tube horn | 17066-00 | 19404-00. |
| Rudder torque tube bracket. | 17062-00 | 19403-00. |
| Fin attachment bracket | 17072-00 | 19406-00 or 19406-02. |

(b) For airplanes having 1,000 or more hours in service, remove the subject castings from the aircraft, clean thoroughly removing all paint, and perform a dye penetrant inspection for cracks, within the next 100 hours in service, after the effective date of this AD, unless already accomplished within the last 400 hours in service, and thereafter at intervals not to exceed 500 hours in service from the last inspection. Prior to reinstallation of castings without cracks, clean thoroughly, and apply zinc chromate primer.

(c) Replace cracked castings before further flight with a replacement forged or cast part.

(d) Inspection and reassembly shall be accomplished in accordance with Piper Service Bulletin No. 155B, dated October 28, 1963, or FAA-approved equivalent.

NOTE: For paragraph (a), it is necessary to remove the tail cone, covers, and fairings to gain access to most of the parts to be inspected. However, parts need not be disassembled and/or removed from the aircraft to accomplish this inspection. All of the forged parts listed herein have integral raised digit forging numbers. Therefore, the absence of raised digits will serve to identify the part as a casting.

This amendment is effective July 13, 1971.

(Secs. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1354(a), 1421, 1423; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in Jamaica, N.Y., on June 28, 1971.

LOUIS J. CARDINALI,
*Acting Director, Eastern Region.*

[FR Doc.71-9510 Filed 7-6-71;8:46 am]

[Airspace Docket No. 71-SO-124]

## PART 71—DESIGNATION OF FEDERAL AIRWAYS, AREA LOW ROUTES, CONTROLLED AIRSPACE, AND REPORTING POINTS

### Alteration of Transition Area

The purpose of this amendment to Part 71 of the Federal Aviation Regulations is to alter the Rocky Mount, N.C., transition area.

The Rocky Mount transition area is described in § 71.181 (36 F.R. 2140). In the description, an extension predicated on Rocky Mount VORTAC 083° radial has a designated width of 4.5 miles and length of 8.5 miles.

U.S. Standards for Terminal Instrument Procedures (TERPs), issued after extensive consideration and discussion with government agencies concerned and affected industry groups, are now being applied to update the criteria for instrument approach procedures. The criteria for the designation of controlled airspace protection for these procedures were revised to conform to TERPs and achieve increased and efficient utilization of airspace.

Because of this revised criteria, it is necessary to alter the description by increasing the extension predicated on Rocky Mount VORTAC 083° radial 1 mile in width and 3 miles in length.

In consideration of the foregoing, notice and public procedure hereon are unnecessary and Part 71 of the Federal Aviation Regulations is amended, effective immediately, as hereinafter set forth.

In § 71.181 (36 F.R. 2140), the Rocky Mount, N.C., transition area is amended to read:

ROCKY MOUNT, N.C.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of Rocky Mount Municipal Airport (lat. 35°-58'00" N., long. 77°47'35" W.); within 5 miles each side of Rocky Mount VORTAC 083° radial, extending from the 7-mile-radius area to 11.5 miles east of the VORTAC; within an 8.5-mile radius of Rocky Mount-Wilson Airport (lat. 35°51'15" N., long. 77°53'40" W.).

(Sec. 307(a), Federal Aviation Act of 1958, 49 U.S.C. 1348(a), sec. 6(c), Department of Transportation Act, 49 U.S.C. 1655(c))

Issued in East Point, Ga., on June 25, 1971.

JAMES G. ROGERS,
*Director, Southern Region.*

[FR Doc.71-9511 Filed 7-6-71;8:46 am]

# Title 21—FOOD AND DRUGS

## Chapter II—Bureau of Narcotics and Dangerous Drugs, Department of Justice

## PART 301—REGISTRATION OF MANUFACTURERS, DISTRIBUTORS, AND DISPENSERS OF CONTROLLED SUBSTANCES

## PART 308—SCHEDULES OF CONTROLLED SUBSTANCES

### Amphetamine, Methamphetamine, and Optical Isomers

A notice was published in the FEDERAL REGISTER of May 26, 1971 (36 F.R. 9563) proposing the transfer of amphetamine and methamphetamine and their salts, optical isomers, and salts of their optical isomers from Schedule III to Schedule II of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (Public Law 91-513), with certain exceptions. All interested persons were given 30 days after publication to submit their objections, comments, or requests for hearing.

No objections nor requests presenting reasonable grounds for a hearing regarding the proposed order in its entirety were received. However, the following objections and requests for hearing were received as to specific combination products:

(1) Smith Kline & French Laboratories requested a hearing on the transfer of Eskatrol Spansule Capsules, a combination product containing 15 mg. of dextroamphetamine sulfate and 7.5 mg. of prochlorperazine, from Schedule III to Schedule II.

(2) Mission Pharmacal Co. requested a hearing on the transfer of Fetamin, a combination product containing 5 mg. of d-methamphetamine hydrochloride and 20 mg. of sodium pentobarbital with vitamins and minerals, from Schedule III to Schedule II.

(3) Pennwalt Corp. requested a hearing on the transfer of Biphetamine, a resin complex of d-and d,l-amphetamine, and Biphetamine-T, a resin complex of d-and d,l-amphetamine and methaqualone, from Schedule III to Schedule II.

The following comments were also submitted regarding the proposed order:

(1) The National Wholesale Druggists Association expressed concern over the Schedule II security requirements at the wholesale level for amphetamine and methamphetamine.

(2) The Minnesota State Board of Pharmacy also expressed concern over the Schedule II security requirements at the pharmacy level for amphetamine and methamphetamine. The Board further suggested that a major educational effort be instituted to inform prescribing practitioners of the Schedule II prescription refill limitations and the emergency prescription procedures. Finally, the Board suggested that the Schedule III recordkeeping requirements be deemed adequate for amphetamine and methamphetamine after their placement in Schedule II.

(3) The U.S. Pharmacopeial Convention, Inc., expressed concern as to, and requested exemption from, the increased Schedule II requirements for distribution of amphetamine and methamphetamine as U.S.P. Reference Standards.

(4) The National Association of Chain Drug Stores, Inc. (NACDS), requested sufficient time for compliance with the Schedule II security, prescription refill and order form requirements. NACDS also raised questions as to whether an additional inventory must be taken for amphetamine and methamphetamine products and whether State or Federal laws and regulations apply where a conflict exists as to the maintenance of prescription records. Lastly,

NACDS requested that a list of the specific combination products excluded or exempted from the order be published.

(5) The Christian Life Commission expressed its support of the proposed order in its entirety as a means of diminishing amphetamine and methamphetamine abuse.

(6) The city of New York submitted a memorandum in support of the proposed order in its entirety, together with a "Report of the New York City Special Committee on Amphetamine Abuse."

(7) Abbott Laboratories expressed its support of the proposed order in its entirety; but did request that sufficient time for compliance with the various Schedule II requirements be granted and that the separate recordkeeping requirements of Schedule II not be applied to amphetamine and methamphetamine substances. Abbott also raised a question as to whether an additional inventory must be taken for amphetamine and methamphetamine upon transfer to Schedule II.

(8) The American Medical Association expressed its support of the proposed order in its entirety by the following resolutions passed by its House of Delegates:

Resolved, that the American Medical Association urge all physicians to limit their use of amphetamines and other stimulant drugs to specific, well-recognized medical indications, and be it further

Resolved, that the American Medical Association support the proposal of the Bureau of Narcotics and Dangerous Drugs to transfer Amphetamine and Methamphetamine and their Salts, Optical Isomers, and Salts of their Optical Isomers from Schedule III to Schedule II published in the May 26, 1971 FEDERAL REGISTER.

The Manufacturers Educational Drug Information Association (MEDIA) objected to, and requested a hearing as to, the proposed order in its entirety on the grounds that the increased security requirements and manufacturing controls and production and procurement quotas of Schedule II would force small independent manufacturers to cease manufacturing amphetamine and methamphetamine. After consultation with members of the Bureau, MEDIA withdrew its objections and request for a hearing in this proceeding, reserving its right, however, to intervene in the forthcoming quota proceedings and security regulations proceedings.

After careful consideration of the comments submitted and in view of the fact no objections nor requests for a hearing were received as to the proposed transfer order in its entirety and based upon the investigation 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 methamphetamines 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, it is ordered,* That:

1. Section 301.02 of Title 21 of the Code of Federal Regulations be amended by revising paragraph (b)(6) and adding a new paragraph (b)(7) to read:

§ 301.02 Definitions.

* * * * *

(b) (6) Methamphetamine, its salts, isomers, and salts of its isomers.

(7) Amphetamine, its salts, optical isomers, and salts of its optical isomers.

* * * * *

2. Section 308.12(d) of Title 21 of the Code of Federal Regulations be deleted and replaced with a new paragraph 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, and salts of its isomers ..... 1,105

3. Section 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 ..... 1,725

(3) Those compounds, mixtures or preparations in dosage unit form containing any stimulant substances 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.

* * * * *

4. The additional requirements imposed upon amphetamines and methamphetamine, their salts, optical isomers and salts of their optical isomers by virtue of their reclassification into Schedule II shall become effective as follows:

(a) *Labeling and packaging.* All labels and seals on commercial containers of, and all labeling of, the above controlled substances, which are packaged more than 180 days following the effective date of this order shall comply with the requirements of 21 CFR Part 302.

(b) *Order forms.* All distributions of the above controlled substances shall comply with the order form requirements of 21 CFR Part 305 within 30 days from the effective date of this order.

(c) *Records and inventories.* All separate and other recordkeeping requirements of 21 CFR Part 304 for the above controlled substances shall be complied within 30 days of the effective date of this order. Records maintained and inventories taken prior to the above compliance date, which are in compliance with the recordkeeping requirements for Schedule III controlled substances, shall not be affected by this order. No new inventories of the above controlled substances, in addition to that of May 1, 1971, is required as a result of this order. Where a positive conflict exists between the recordkeeping requirements of State and Federal laws and regulations, so that the two cannot stand together, Federal law governs in accordance with section 708 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 903).

(d) *Prescriptions.* All prescriptions for the above controlled substances shall comply with 21 CFR 306.01–306.15 within 30 days from the effective date of this order. Any prescriptions for the above controlled substances, which are entitled to be refilled under § 306.22, shall not be entitled to such refill in accordance with § 306.12 on and after the above compliance date.

(e) *Importation and exportation.* All importation and exportation of the above controlled substances shall be in compliance with 21 CFR Part 312, specifically as to import and export permits, within 30 days of the effective date of this order.

(f) *Security.* Since the regulations regarding security for Schedule II controlled substances are undergoing revision, compliance with the present security requirements shall be deemed adequate pending publication of the final order on security regulations.

(g) *Registration.* Any registrant presently not authorized to handle amphetamines or methamphetamines or both and/or Schedule II controlled substances should apply to modify his registration to authorize the handling of such controlled substances by submitting within 30 days of the effective date of this order a letter of request to the Registration Branch, Bureau of Narcotics and Dangerous Drugs, Post Office Box 28083, Central Station, Washington, DC 20005. The letter shall contain the registrant's name, address, registration number, and the substances and/or schedules to be added to his registration, and shall be signed by the same person who signed the most recent application for registration or reregistration. No fee shall be required to be paid for the modification. The request for modification shall be handled in the same manner as an application for registration.

5. The hearing scheduled for June 30, 1971 is hereby canceled since no objections nor requests for a hearing on the proposed order in its entirety were received within the designated time period.

*It is further ordered,* That application of this order to Eskatrol, Fetamin, Biphetamine, and Biphetamine-T, the combination products for which hearings

were requested, is reserved pending review of these products by the Bureau. Hearings regarding their transfer to Schedule II will be held after such review.

This order does not amend 21 CFR 308.32. Those combination products containing amphetamine or methamphetamine currently excepted under § 308.32 will remain excepted. The Bureau recognizes that certain combination drugs containing amphetamine or methamphetamine excepted under the Drug Abuse Control Amendments of 1965 have not been excepted under § 308.32. As a matter of policy, those substances shall be deemed excepted under § 308.32 pending further action by the Bureau.

This order is effective on the date of its publication in the FEDERAL REGISTER (7-7-71).

Dated: June 30, 1971.

JOHN E. INGERSOLL,
*Director, Bureau of Narcotics and Dangerous Drugs.*

[FR Doc.71-9480 Filed 7-6-71;8:45 am]

# Title 26—INTERNAL REVENUE

## Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 7129]

## PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

### Average Basis for Regulated Investment Company Stock

On December 3, 1970, notice of proposed rule making with respect to the amendment of the Income Tax Regulations (26 CFR Part 1) under section 1012 of the Internal Revenue Code of 1954, relating to the use of an average basis for certain regulated investment company stock, was published in the FEDERAL REGISTER (35 F.R. 18389). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the following amendments are hereby adopted:

PARAGRAPH 1. Section 1.1012-1 is amended by redesignating paragraph (e) as paragraph (f), and by inserting immediately after paragraph (d) a new paragraph (e). These redesignated and added provisions read as follows:

**§ 1.1012-1 Basis of property.**

* * * * *

(e) *Election as to certain regulated investment company stock*—(1) *General rule*—(i) *In general.* Notwithstanding paragraph (c) of this section, and except as provided in subdivision (ii) of this subparagraph, if—

(*a*) Shares of stock of a regulated investment company (as defined in subparagraph (5) of this paragraph) are left by a taxpayer in the custody of a custodian or agent in an account maintained for the acquisition or redemption of shares of such company, and

(*b*) The taxpayer purchased or acquired shares of stock held in the account at different prices or bases,

the taxpayer may elect to determine the cost or other basis of shares of stock he sells or transfers from such account by using one of the methods described in subparagaphs (3) and (4) of this paragraph. The cost or other basis determined in accordance with either of such methods shall be known as the "average basis". For purposes of this paragraph, securities issued by unit investment trusts shall be treated as shares of stock and term "share" or "shares" shall include fractions of a share.

(ii) *Certain gift shares.* (*a*) Except as provided in subdivision (*b*) of this subdivision (ii), this paragraph shall not apply to any account which contains shares which were acquired by the taxpayer by gift after December 31, 1920, if the basis of such shares (adjusted for the period before the date of the gift as provided in section 1016) in the hands of the donor or the last preceding owner by whom it was not acquired by gift was greater than the fair market value of such shares at the time of the gift. However, shares acquired by a taxpayer as a result of a taxable dividend or a capital gain distribution from such an account may be included in an account to which this paragraph applies.

(*b*) Notwithstanding the provisions of subdivision (*a*) of this subdivision (ii), this paragraph shall apply with respect to accounts containing gift shares described in such subdivision (*a*) if, at the time the election described in this paragraph is made in the manner prescribed in subparagraph (6) of this paragraph, the taxpayer includes a statement, in writing, indicating that the basis of such gift shares shall be the fair market value of such gift shares at the time they were acquired by the taxpayer by gift and that such basis shall be used in computing average basis in the manner described in subparagraph (3) or (4) of this paragraph. Such statement shall be effective with respect to gift shares acquired prior to making such election and with respect to gift shares acquired after such time and shall remain in effect so long as such election remains in effect.

(2) *Determination of average basis.* Average basis shall be determined using either the method described in subparagraph (3) of this paragraph (the double-category method) or the method described in subparagraph (4) of this paragraph (the single-category method). The taxpayer shall specify, in the manner described in subparagraph (6) of this paragraph, the method used. Such method shall be used with respect to an account until such time as the election is revoked with the consent of the Commissioner. Although a taxpayer may specify different methods with respect to accounts in different regulated investment companies, the same method shall be used with respect to all of the taxpayer's accounts in the same regulated investment company.

(3) *Double-category method*—(i) *In general.* In determining average basis using the double category method, all shares in an account at the time of each sale or transfer shall be divided into two categories. The first category shall include all shares in such account having, at the time of the sale or transfer, a holding period of more than 6 months (the "more-than-6-months" category), and the second category shall include all shares in such account having, at such time, a holding period of 6 months or less (the "6-months-or-less" category). The cost or other basis of each share in a category shall be an amount equal to the remaining aggregate cost or other basis of all shares in that category at the time of the sale or transfer divided by the aggregate number of shares in that category at such time.

(ii) *Order of disposition of shares sold or transferred.* Prior to a sale or transfer of shares from such an account, the taxpayer may specify, to the custodian or agent having custody of the account, from which category (described in subdivision (i) of this subparagraph) the shares are to be sold or transferred. Shares shall be deemed sold or transferred from the category specified without regard to the stock certificates, if any, actually delivered if, within a reasonable time thereafter, confirmation of such specification is set forth in a written document from the custodian or agent having custody of the account. In the absence of such specification or confirmation, shares sold or transferred shall be charged against the more-than-6-months category. However, if the number of shares sold or transferred exceeds the number in such category, the additional shares sold or transferred shall be charged against the shares in the 6-months-or-less category. Any gain or loss attributable to a sale or transfer which is charged against shares in the more-than-6-months category shall constitute long-term gain or loss, and any gain or loss attributable to a sale or transfer which is charged against shares in the 6-months-or-less category shall constitute short-term gain or loss. As to adjustments from wash sales, see section 1091(d) and subdivisions (iii) (*c*) and (*d*) of this subparagraph.

(iii) *Special rules with respect to shares from the 6-months-or-less category.* (*a*) After the taxpayer's holding period with respect to a share is more than 6 months, such share shall be changed from the 6-months-or-less category to the more-than-6-months category. For purposes of such change, the basis of a changed share shall be its actual cost or other basis to the taxpayer or its basis determined in accordance with the rules contained in subdivision (*b*)(2) of this subdivision (iii) if the rules of such subdvson (*b*)(2) are applicable.