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Part 39 of the Federal Aviation Regulations is amended by amending AD 65-26-3, as follows:

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

Compliance is 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.

(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 50 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 600 hours in service from the last inspection. Prior to reinstallation of castings without cracks, clean thoroughly, and apply nine 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. 1582, dated October 28, 1969, or FAA-approved equivalent.

Note: For paragraph (a), it is necessary to remove the tail cone, and forward and aft spar to gain access to most of the parts to be inspected. However, parts need not be disassembled and lifted from the floor to accomplish this inspection. All of the forged parts listed herein have integral rigid digit forging numbers. Therefore, the presence of rigid digits will serve to identify the part as a casting.

This amendment is effective July 13, 1971.

[Sec. 313(a), 601, 603, Federal Aviation Act of 1958, 49 U.S.C. 1303(a), 1461, 1463; sec. 6(c), Department of Transportation Act, 49 U.S.C. 1005(o)]

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

LOTIS J. CARDINAL, Acting Director, Eastern 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 201—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 II to Schedule III of the Controlled Substances Act of 1970 (21 U.S.C. 811 et seq.), with certain exceptions. All interested persons were given 30 days after publication to submit their objections, comments, or requests for hearing.

No objections or requests presenting substantial grounds for a reconsideration of 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 & Exercise Laboratories requested a hearing on the transfer of Eskatrol, Spanex Capsules, a combination product containing 15 mcg of dextroamphetamine sulfate and 7.5 mcg of prochlorperazine, from Schedule II to Schedule III.

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

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

The following comments were also submitted regarding the proposed order:

(1) The National Wholesale Drugs 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 security procedures. Finally, the Board suggested that the Schedule II recordkeeping requirements be deemed adequate for amphetamine and methamphetamine after their placement in Schedule II.

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.

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,
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(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) (7) 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

(2) Methamphetamine, its salts, and salts of its isomers

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

(2) Methylenedioxymethamphetamine

(3) Those compounds, mixtures or preparations in dosage unit form containing any stimulant substance which are currently listed as excepted compounds under 21 CFR 308.23, 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) Labelling and packaging. All labels and packages on commercial containers of:

(1) Amphetamine, its salts, optical isomers, and salts of its optical isomers

(b) Order form. The restrictions of the above controlled substances shall comply with the order form requirements of 21 CFR Part 301 within 30 days of 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 with 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 II 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 shall prevail. The combination product for which hearings are in progress in this paragraph are to be regulated as although in Schedule II.

(d) Prescriptions. All prescriptions for the above controlled substances shall be in compliance with 21 CFR 308.01-308.15 within 30 days of the effective date of this order. Any prescriptions for the above controlled substances which are entitled to be refilled under § 308.23(b)(1) are entitled to such refill in accordance with § 308.12 on and after the above compliance date.

1. 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.

2. Reimbursement for Schedule II controlled substances shall be reimbursed as a separate item on the date of dispensing, and the prescription fee shall be paid to the pharmacist who dispensed the drug.

3. Security. The regulations regarding security for Schedule II controlled substances are undergoing review by the Commission with the present security requirements to be liberalized to a uniform and adequate pending publication of the final order on security regulations.

4. Registration. Any registrant presently not authorized to handle amphetamines or methamphetamines, or any other Schedule II controlled substances which are presently under 21 CFR Part 308, shall be required to register with the above controlled substances under the provisions of 21 CFR Part 308.

5. The hearing scheduled for June 30, 1971, is hereby canceled, since no objections or 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 Esakrol, Petamin, Biphentamine, and Biphentamine-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.

[F.R. Doc. 71–1460 Filed 7–6–71; 1:45 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 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 redesignations 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 any part of a distributee's stock in a regulated investment company, as that term is defined in subparagraph (5) of this paragraph, is held as a capital asset, the taxpayer may elect to determine the cost or other basis of shares of stock he sells or transfers from such account by using the method described in subparagraphs (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, this paragraph shall not apply to any account which contains shares which were acquired by the taxpayer or gift by gift after December 31, 1959, 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 donee owning 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 (b), this paragraph shall apply with respect to accounts containing gift shares described in subdivision (b) of this paragraph if, at the time the election described in this paragraph is made in the manner prescribed in subparagraphs (3) and (4) 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 shares at the time they were acquired by the taxpayer or gift by gift. Such a statement shall be 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) or the method described in subparagraph (4) of this paragraph (the "double-category method"). The taxpayer shall specify, in the manner described in subparagraph (6) of this paragraph, which 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 change the method of determining average basis, the election 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 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 the disposition of shares from such an account, the taxpayer may specify, to the custodian or agent having custody of the account, with which category (described in subdivision (i) of this subsection) the shares are to be sold or transferred. Shares shall be deemed sold or transferred from the category specified without regard to the accounts, 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 is charged against the more-than-6-months 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 (ii) (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 share shall be its actual cost or other basis in the taxpayer's or its basis in accordance with the rules contained in subdivision (b) of this subdivision (iii) if the rules of such subdivision (b) (2) are applicable.

FEDERAL REGISTER, VOL. 36, NO. 130—WEDNESDAY, JULY 7, 1971