giving notice of its intention to terminate all service at the point involved. Nothing in this proposal would limit a carrier's right to file a termination notice under section 401(j) of the Act. Furthermore, if the Board actually had to revoke a carrier's certificate under section 401(g), the affected community would appear to be left in a worse position, not a better one.

In practice, however, we do not expect that a policy of ordering incumbent carriers to provide adequate (i.e. essential) service at eligible points they serve will often lead to terminations by those carriers, or revocations of their operating authority by the Board. This policy will generally only be invoked at communities served by a subsidized local service carrier that is providing slightly less than the level of service determined to be essential. Because the required increase in service would be small, it would be unlikely that the carrier would terminate service or not comply with the Board order and thereby risk the loss of both its regular subsidy and its service incentive payments. If the carrier did give notice of its intention to terminate service, the Board would still have the authority under section 419 to prevent the termination until a replacement was found to provide the essential service.

Effect on Subsidy

The effect of this policy on an incumbent carrier's subsidy rate will depend on whether the policy is being invoked to require that carrier to increase its service above its 1977 service level. Section 406(b) of the Act sets 1977 as the base period for determining the subsidy of local service carriers. If a mandated increase in service resulted in the carrier providing no more service at the point than it provided there during the base period, it subsidy rate and subsidy ceiling would not be affected, although it might receive a small increase in its actual payments.

If a carrier's service at a point had to be increased above its base period service level, the carrier would be entitled to an adjustment in its rate. In such cases, we would make an *ad hoc* adjustment to the carrier's Class Rate IX subsidy formula as provided for in section VI of Order 79–7–207 but would not reopen that formula and reconsider all aspects of its subsidy rate. We hereby propose to add new section 399.40 to Part 399 to that effect. Local service carriers that object to this approach should make their views, or any problems they foresee, known in this proceeding.

The Proposed Policy Statements

The Civil Aeronautics Board proposes to amend Chapter II of 14 CFR, as follows:

PART 398—GUIDELINES FOR INDIVIDUAL DETERMINATIONS OF ESSENTIAL AIR TRANSPORTATION

1. In Part 398, *Guidelines for Individual Determinations of Essential Air Transportation* a new § 398.9 would be added to the Table of Contents, to read:

Sec.

* * * * *

398.9 Obligation to provide essential air transportation at eligible points.

2. Also in Part 398 a new § 398.9 would be added, to read:

§ 398.9 Obligation to provide essential air transportation at eligible points.

(a) The obligation in section 404(a) of the Act to provide adequate air service requires that the service provided by a certificated air carrier at an eligible point, considered together with service provided by other carriers at that point, constitute at least essential air transportation as established by the Board for that point under the guidelines of this part.

(b) As a general policy, when the Board finds a certificated carrier to be providing less than adequate service as described in paragraph (a) of this section, it will order that carrier to increase its service at the eligible point involved. In some cases, however, the Board may solicit proposals from other carriers willing to make up the shortfall in air service if it might results in better service at the eligible point, a smaller increase in subsidy for service there, or less burden on the carriers affected, or would otherwise be in the public interest.

PART 399—STATEMENTS OF GENERAL POLICY

3. In Part 399, *Statements of General Policy*, a new § 399.40 would be added to subpart C of the Table of Contents to read:

Sec.

* * * * *

399.40 Adjustments to subsidy under section 406.

* * * * *

4. Also in Part 399, a new § 399.40 would be added to read:

§ 399.40 Adjustments to subsidy under section 406.

A carrier increasing its level of service at a point pursuant to an order under § 398.9 of this chapter shall not be entitled to a reopening of its subsidy rate, but will receive an *ad hoc* adjustment in its Class Rate IX formula.

(Secs. 204, 404, 406, and 419 of the Federal Aviation Act of 1958, as amended, 72 Stat. 743, 760, 763, 92 Stat. 1732, 49 U.S.C. 1324, 1374, 1376, 1389)

By the Civil Aeronautics Board.

Phyllis T. Kaylor,

Secretary.

[FR Doc. 80-31767 Filed 10-9-80; 8:45 am]

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FEDERAL TRADE COMMISSION

16 CFR Part 1

Oral Presentations Before the Commission and Communications With Commissioners and Their Staffs in Trade Regulation Rulemaking Proceedings

AGENCY: Federal Trade Commission.

ACTION: Proposed rule; extension of period for public comment.

SUMMARY: The Commission extends the period for public comment on the proposed amendments to its procedures governing oral presentations before the Commission and communications with Commissioners and their staffs in trade regulation rulemaking proceedings.

DATES: Written comments must be received on or before October 20, 1980.

ADDRESS: Comments should be addressed to the Secretary, Federal Trade Commission, 6th Street and Pennsylvania Avenue, NW, Washington, D.C. 20580.

FOR FURTHER INFORMATION CONTACT: Jerome Tintle (202–523–3487) or Ana Colon (202–523–3849), Office of General Counsel, Federal Trade Commission, Washington, D.C. 20580.

SUPPLEMENTARY INFORMATION: On July 31, 1980 (at 45 FR 50814), the Commission published for comment proposed amendments of Commission Rules §§ 1.13(i) and 1.18(a)(b) and (c) implementing the provisions of Section 18 of the FTC Act as amended by Section 12 of the FTC Improvements Act of 1980, Pub. L. No. 96–252. Interested persons were given until September 29, 1980 to submit written comments. The Administrative Law Section and the Antitrust Law Section of the American Bar Association have requested an extension of the comment period, citing internal delays necessitated by the Association's review procedures. Accordingly, the Commission has determined to grant a 10-day extension beginning from the date of publication of this Notice in the **Federal Register.** Since Section 12 of the FTC Improvements Act

requires the Commission to publish final rules governing *Ex parte* communications in rulemaking by November 24, 1980, no further extensions of time will be granted.

By direction of the Commission

Carol M. Thomas,

Secretary.

[FR Doc. 80-31870 Filed 10-9-80; 8:45 am]

BILLING CODE 6750-01-M

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16 CFR Part 13

[File No. 801 0046]

Murata Manufacturing Co., Ltd.; Consent Agreement With Analysis To Aid Public Comment

Correction

In FR Doc. 80-30730, appearing at page 65252, in the issue of Thursday, October 2, 1980, make the following correction:

On page 65253, first column, the eleventh and twelfth lines of the paragraph numbered "4." should have read:

"agreement and so notify Murata, in which event it will take such action as it may consider appropriate, or issue and serve its complaint (in such form as the circumstances may require) and decision, in disposition of the proceeding. ".

BILLING CODE 1505-01-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[EE 45-78]

Income Tax; Definition of a Private Foundation

AGENCY: Internal Revenue Service, Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: This document contains proposed amendments to the regulations relating to the definition of a private foundation. Changes to the applicable tax law were made by Pub. L. 94-81, enacted August 9, 1975. The amended regulations affect certain tax-exempt organizations seeking to qualify as other than private foundations which acquire unrelated trades or businesses after June 30, 1975. The amended regulations provide such organizations with guidance necessary to determine whether they qualify as other than private foundations.

DATES: Written comments and requests for a public hearing must be delivered or mailed by December 9, 1980. The amendments are proposed to be effective for taxable years ending after June 30, 1975.

ADDRESS: Send comments and requests for a public hearing to: Commissioner of Internal Revenue, Attention: CC:LR:T (EE-45—78), Washington, D.C. 20224.

FOR FURTHER INFORMATION CONTACT: Thomas L. Sumter of the Employee Plans and Exempt Organizations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, D.C. 20224, Attention: CC:LR:T, (202-566-6212, not a toll-free call).

SUPPLEMENTARY INFORMATION:

Background

This document contains proposed amendments to the Income Tax Regulations (26 CFR Part 1) under sections 507 and 509 of the Internal Revenue Code of 1954. These amendments are proposed to conform the regulations to section 3 of the Act of August 9, 1975 (Pub. L. 94-81, 89 Stat. 418) and are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

Definition of a Private Foundation

Prior to the amendment of section 509(a)(2)(B) of the Internal Revenue Code of 1954, an organization which normally received not more than one-third of its annual support from gross investment income could, if it satisfied the other support requirements of section 509(a)(2), qualify as other than a private foundation. Gross investment income includes, generally, interest, rents, dividends and royalties. The amendment to section 509(a)(2)(B) provides that income from an unrelated trade or business acquired by the organization after June 30, 1975 (less any tax imposed by section 511 on such income) is to be treated like gross investment income in determining whether an organization meets the test under section 509(a)(2)(B).

Prior Proposed Regulations

On July 24, 1979, the **Federal Register** (44 FR 43290) published proposed regulations relating to Pub. L. 94-81. In general, the proposed regulations in this document are the same as the proposed regulations published on July 24, 1979. The only substantive addition is that § 1.509(a)-3(a)(3)(ii)(B) of the proposed regulations in this document states that, for purposes of section 509(a)(2)(B)(ii), a trade or business acquired after June 30, 1975, shall include a trade or business commenced by an organization after that date. Unrelated business taxable income received by an organization from such a trade or business will therefore be considered as unrelated business taxable income of the organization for purposes of inclusion in the not-more-than-one-third support test.

Comments and Requests for a Public Hearing

Before adopting these proposed regulations, consideration will be given to any written comments that are submitted (preferably six copies) to the Commissioner of Internal Revenue. All comments will be available for public inspection and copying. A public hearing will be held upon written request to the Commissioner by any person who has submitted written comments. If a public hearing is held, notice of the time and place will be published in the **Federal Register.**

Drafting Information

The principal author of these proposed regulations is Thomas L. Sumter of the Employee Plans and Exempt Organizations Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department prticipated in developing the regulations, both on matters of substance and style.

Proposed Amendments to the Regulations

1. The notice of proposed rulemaking published in the **Fedeal Register** for July 24, 1979, is withdrawn.

2. The following amendments to 26 CFR Part 1 are proposed:

§ 1.507-2 [Amended]

Paragraph 1. Paragraph (c)(1)(iv)(A) of § 1.507-2 is amended by deleting the words "gross investment income" and inserting in lieu thereof "items described in section 509(a)(2)(B)".

Par 2. Section 1.509(a)-3 is amended as follows:

1. Paragraph (a)(1) is amended by adding the heading *"General rule."* and deleting the words "one-third gross investment income" in the second sentence and inserting in lieu thereof "not-more-than-one-third support".

2. Paragraph (a)(2) is amended by adding the heading *"One-third support test."*

3. Paragraph (a)(4) is amended by adding the heading *"Purposes."* and deleting the words "one-third gross investment income" and inserting in lieu