

2. Ethyl vinyl acetate copolymer is cleared under 21 CFR 175.300, 176.180, 177.1200, 177.1210, and 177.1350 as an indirect food additive.

3. Nitrile rubber modified acrylonitrile-methylacrylate copolymers are cleared in 21 CFR 176.170 and 177.1480 under indirect food additive status.

4. Polyethylene is cleared under 21 CFR 172.615 as a direct food additive, under 21 CFR 178.3570 as an indirect food additive, and under 21 CFR 573.780 as an animal feed additive.

5. Polypropylene is cleared in 21 CFR 175.105, 175.300, and 177.1520 under indirect food additive status.

6. Polytetrafluoroethylene is cleared under 21 CFR 177.1550 as an indirect food additive.

Based on the above information, and review of its use, it has been found that, when used in accordance with good agricultural practices, these ingredients are useful and do not pose a hazard to humans or the environment. It is concluded, therefore, that the proposed amendment to 40 CFR Part 180 will protect the public health, and it is proposed that the regulations be established as set forth below.

Any person who has registered or submitted an application for registration of a pesticide, under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) as amended, which contains these inert ingredients, may request within 30 days after publication of this notice in the *Federal Register* that this rulemaking proposal be referred to an advisory Committee in accordance with section 408(e) of the Federal Food, Drug, and Cosmetic Act.

Interested persons are invited to submit written comments on the proposed regulations. Comments must bear a notation indicating both the subject and the petition and document control number, "[OPP-300089]." All written comments filed in response to this notice of proposed rulemaking will be available for public inspection in the Registration Support and Emergency Response Branch at the address given above from 8 a.m. to 4 p.m., Monday through Friday, except legal holidays.

The Office of Management and Budget has exempted this rule from the requirements of section 3 of Executive Order 12291.

Pursuant to the requirements of the Regulatory Flexibility Act (Pub. L. 96-534, 94 Stat. 1164, 5 U.S.C. 601-612), the Administrator has determined that regulations establishing new tolerances or raising tolerance levels or establishing exemptions from tolerance requirements do not have a significant economic impact on a substantial

number of small entities. A certification statement to this effect was published in the *Federal Register* of May 4, 1981 (46 FR 24950).

(Sec. 408(e), 68 Stat. 514 (21 U.S.C. 346a(e)))

List of Subjects in 40 CFR Part 180

Administrative practice and procedure. Agricultural Commodities. Pesticides and pests.

Dated: May 17, 1984.

Robert V. Brown,

Acting Director, Registration Division, Office of Pesticide Programs.

PART 180—[AMENDED]

Therefore, it is proposed that 40 CFR 180.1001(e) be amended by adding and alphabetically inserting the inert ingredients, to read as follows:

§ 180.1001 Exemptions from the requirement of a tolerance.

Inert ingredients	Limits	Uses
Dibutyltin dilaurate (CAS Registry No. 77-58-7).		Component of plastic slow release tag.
Ethyl vinyl acetate (CAS Registry No. 24937-78-8).		Component of plastic slow release tag.
Nitrile rubber modified acrylonitrile-methylacrylate (CAS Registry No. 27012-62-0) conforming to 21 CFR 177.1480.		Component of plastic slow release tag.
Polyethylene (CAS Registry No. 9002-88-4) conforming to 21 CFR 172.615.		Component of plastic slow release tag.
Polypropylene (CAS Registry No. 9003-07-0).		Component of plastic slow release tag.
Polytetrafluoroethylene (CAS Registry No. 9002-84-0).		Component of plastic slow release tag.

[FR Doc. 84-14488 Filed 6-5-84; 8:45 am]
BILLING CODE 6560-50-M

LEGAL SERVICES CORPORATION

45 CFR Part 1629

Bonding of Recipients

AGENCY: Legal Services Corporation.

ACTION: Proposed rule.

SUMMARY: This proposed rule would require any non-governmental recipient of Corporation funds to obtain a bond or bonds to indemnify such recipients against loss resulting from the fraud or lack of integrity, honesty or fidelity of

directors, officers, employees or agents of such recipients. The Corporation's records include a number of instances, ongoing and recent, in which its funds, granted to a recipient, have been lost through dishonest behavior on the part of persons associated with the recipient. This regulation would provide protection for recipients and the Corporation against such acts and ensure that scarce resources are not misappropriated.

DATE: Comments must be received on or before July 6, 1984.

ADDRESS: Comments may be submitted to Office of General Counsel, Legal Services Corporation, 733 Fifteenth Street, NW., Washington, D.C. 20005.

FOR FURTHER INFORMATION CONTACT: Richard N. Bagenstos, Assistant General Counsel, (202) 272-4010.

SUPPLEMENTARY INFORMATION: This proposed rule would implement a policy articulated by the Corporation's Board at its meeting in Savannah, Georgia on March 30, 1984, that all persons who handle Corporation funds granted to recipients be bonded against loss due to fraud or dishonesty. Instances of dishonesty such as misappropriation of funds for personal use, embezzlement of funds, personal use of program credit cards, falsification of travel and housing documents, defalcation of petty cash funds, misuse of client trust funds and embezzlement of interest payments involving programs in various parts of the country have come to the attention of the Corporation throughout its existence. Sanctions have ranged from reprimands through discharge to successful criminal prosecution. While in some cases restitution was made, in others, where the programs were not bonded, they absorbed the losses. If a mandatory bonding requirement had been in place at the time of such incidents, the programs would not have been forced to bear the loss. Many programs currently carry coverage against fraud and dishonesty. In addition, the Corporation's *Audit and Accounting Guide* has for some time considered fidelity coverage to be a basic internal control procedure which all programs should establish. The purpose of this regulation is to make mandatory an important protection for the limited funds available to serve eligible clients.

This proposed rule is authorized by the mandate in the Legal Services Corporation Act, as amended, to provide economical and effective legal assistance of eligible clients, and to insure the compliance of recipients and their employees with the provisions of

the Act, regulations, rules and guidelines promulgated by the Corporation.

Section 1629.1 of the proposed rule would require that a program carry bond coverage of a value equal to at least twenty-five (25) percent of the program's previous year annualized LSC funding level. The Corporation's review of incidents giving rise to such loss by programs indicate that this required level will provide adequate protection against risk of loss through dishonesty, without being unreasonably burdensome.

Section 1629.2 of the proposed rule would require that at least those directors, officers, employees and agents who handle funds or property of the program shall be covered by the required bond or bonds to protect the program against loss due to acts of fraud and dishonesty on the part of such persons.

Section 1629.3 provides guidance concerning what constitutes the handling of funds or property. Generally, handling means a relationship to the funds or property which gives rise to a risk of loss. Such risk of loss can occur through physical contact with cash, etc. However, persons who from time to time perform counting, packaging, tabulating, messenger or similar duties of an essentially clerical character involving physical contact with funds or other property would not be "handling" when they perform these duties under conditions and circumstances where risk of loss is negligible because of factors such as close supervision and control or the nature of the property.

Risk of loss may also arise through the power to exercise contact or control, or the power to transfer property. If a person meets such criteria, this proposed rule would require that he or she be covered by the bond, whether individual or blanket. Persons who actually disburse funds or property or sign checks or similar instruments should be considered as being in this category. Whether other persons who may influence authorize or direct disbursements or the signing or endorsing of checks or similar instruments would be considered to be "handling" funds or other property should be determined by reference to the risk of loss arising from the particular duties or responsibilities of such persons.

A person with supervisory authority over those described above may be considered "handling" under the terms of the proposed rule. However, to the extent that only general responsibility for the conduct of the business affairs of the program is involved, including such functions as approval of contracts,

authorization of disbursements, auditing of accounts and similar responsibilities, such persons would be considered to be "handling" only when the facts of the particular case raise the possibility that funds or other property of the program are likely to be lost in the event of fraud or dishonesty. The mere fact of general supervision would not necessarily, in and of itself, mean that such persons are "handling."

In § 1629.4, the proposed rule defines "fraud" and "dishonesty" as used in this Part. That section makes it clear that the major criterion is risk of loss to the program, and that the required bond must provide for recovery for loss even though the act giving rise to the loss by the program does not result in personal gain for the person committing the act.

Section 1629.5 describes permissible forms of bonds, making it clear that blanket or schedule bonds are appropriate as well as individual bonds which aggregate at least the required level of twenty-five (25) percent of the program's annualized funding.

Section 1629.6 provides that programs which choose to bond individuals rather than to carry a blanket bond for the program shall fix the amount required annually pursuant to a formula provided in that section.

Section 1629.7 provides that the programs must report bond coverage in their applications for refunding, beginning with FY 1985.

List of Subjects in 45 CFR Part 1629

Legal services, bonding.

For the reasons set out in the preamble a new 45 CFR Part 1629 is proposed to be added as follows:

PART 1629—BONDING OF RECIPIENTS

Sec.	
1629.1	General.
1629.2	Persons required to be bonded.
1629.3	Criteria for determining handling.
1629.4	Meaning of fraud or dishonesty.
1629.5	Form of bonds.
1629.6	Amount of individual bonds.
1629.7	Effective date.

Authority: Sections 1006(b)(1)(A) and 1007(a)(3), Pub. L. 93-355, as amended, Pub. L. 95-222 (42 U.S.C. 2996e(1)(A) and 2996f(3)).

§ 1629.1 General.

(a) If any program which receives Corporation funds is not a government, or an agency or instrumentality thereof, such program shall carry fidelity bond coverage at a minimum level of at least twenty-five (25) percent of the program's annualized LSC funding level for the previous fiscal year.

(b) A fidelity bond is a bond indemnifying such program against

losses resulting from the fraud or lack of integrity, honesty or fidelity of one or more employees, officers, agents, directors or other persons holding a position of trust with the program.

§ 1629.2 Persons required to be bonded.

(a) Every director, officer, employee and agent of a program who handles funds or property of the program shall be bonded as provided in this Part.

(b) Such bond shall provide protection to the program against loss by reason of acts of fraud or dishonesty on the part of such director, officer, employee or agent directly or through connivance with others.

§ 1629.3 Criteria for determining handling.

(a) The term "handles" shall be deemed to encompass any relationship of a director, officer, employee or agent with respect to funds or other property which can give rise to a risk of loss through fraud or dishonesty. This shall include relationships such as those which involve access to funds or other property or decision-making powers with respect to funds or property which can give rise to such risk of loss.

(b) Subject to the application of the basic standard of risk of loss to each situation, the criteria for determining whether there is "handling" so as to require bonding are:

(1) Physical contact with cash, checks or similar property;

(2) The power to secure physical possession of cash, checks or similar property such as through access to a safe deposit box or similar depository, access to cash or negotiable instruments and assets, power of custody or safe-keeping, or the power to borrow or withdraw funds from a bank or other account whether or no physical contact actually takes place;

(3) The power to transfer or cause to be transferred property such as mortgages, title to land and buildings, or securities, through actual or apparent authority, to oneself or to a third party, or to be negotiated for value.

(c) Persons who actually disburse funds or other property, such as officers authorized to sign checks or other negotiable instruments, or persons who make cash disbursements, shall be considered to be "handling" such funds or property.

(d) In connection with disbursements, any persons with the power to sign or endorse checks or similar instruments or otherwise render them transferable, whether individually or as cosigners with one or more persons, shall each be considered to be "handling" such funds or other property.

(e) To the extent a person's supervisory or decision-making responsibility involves factors in relationship to funds discussed in paragraphs (b) (1), (2), (3), or paragraphs (c) and (d) of this section, such persons shall be considered to be "handling" in the same manner as any person to whom the criteria of those subparagraphs apply.

§ 1629.4 Meaning of fraud or dishonesty.

The term "fraud or dishonesty" shall be deemed to encompass all those risks of loss that might arise through dishonest or fraudulent acts in the handling of funds as delineated in § 1629.3. As such, the bond must provide recovery for loss occasioned by such acts even though no personal gain accrues to the person committing the act and the act is not subject to punishment as a crime or misdemeanor, provided that within the law of the state in which the act is committed, a court could afford recovery under a bond providing protection against fraud or dishonesty. As applied under state laws, the term "fraud or dishonesty" encompasses such matters as larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, wrongful conversion, wilful misapplication or any other fraudulent or dishonest acts.

§ 1629.5 Form of bonds.

Any form of bond which may be described as individual, schedule or blanket, or any combination of such forms of bonds, shall be acceptable to meet the requirements of this Part. The basic types of bonds in general usage are:

- (a) An individual bond which covers a named individual in a stated penalty;
- (b) A name schedule bond which covers a number of named individuals in the respective amounts set opposite their names;
- (c) A position schedule bond which covers all of the occupants of positions listed in the schedule in the respective amounts set opposite such positions;
- (d) A blanket bond which covers all the insured's directors, officers, employees and agents with no schedule or list of those covered being necessary and with all new directors, officers, employees and agents bonded automatically, in a blanket penalty.

§ 1629.6 Amount of individual bonds.

If a program chooses to purchase individual bonds for the persons required to be covered pursuant to §§ 1629.2 and 1629.3 above, the amount of bonding required shall be fixed at the beginning of each fiscal year of the program. The amount of the bond shall

be not less than ten (10) percent of the amount of funds handled, except that any such bond shall be in at least the amount of \$1,000 and no such bond shall be required in an amount in excess of \$500,000.

§ 1629.7 Effective date.

(a) Each program shall certify in its Application for Refunding, beginning with the application for FY 1985 funds, that it has obtained a bond or bonds which satisfy the requirements of this Part.

(b) A copy of such bond or bonds shall be provided to the Corporation at its request.

Dated: June 1, 1984.

Alan R. Swendiman,
General Counsel.

[FR Doc. 84-15173 Filed 6-5-84; 8:45 am]
BILLING CODE 6820-35-M

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Ch. I

[CC Docket No. 83-1147]

Long-Run Regulation of AT&T's Basic Domestic Interstate Services; Order Extending Time for Filing Reply Comments

AGENCY: Federal Communications Commission.

ACTION: Notice of Inquiry; Extension of time for filing reply comments.

SUMMARY: This action grants the motion of GTE Service Corporation and United Telecom Communications, Inc. for a two-week extension of time, until June 4, 1984, for filing reply comments in the *Notice of Inquiry In the Matter of Long-Run Regulation on AT&T's Basic Domestic Interstate Services*, CC Docket No. 83-1147.

DATES: Reply comments are now due by June 4, 1984.¹

ADDRESS: Federal Communications Commission, Washington, D.C. 20554.

FOR FURTHER INFORMATION CONTACT: Warren Lavey, Common Carrier Bureau, (202) 632-6910.

Memorandum Opinion and Order

In the matter of Long-Run Regulation of AT&T's Basic Domestic Interstate Services; CC Docket No. 83-1147.

Adopted: May 18, 1984.
Released: May 21, 1984.

By the Chief, Common Carrier Bureau.

¹ Editorial Note.—This document was received by the Office of the Federal Register on Friday, June 1, 1984.

1. In a Notice of Inquiry released October 27, 1983, we invited interested parties to file comments on the appropriate long-run regulation of American Telephone and Telegraph's (AT&T) basic domestic services. 48 FR 51340 (November 8, 1983). The original filing dates had been extended so that comments were filed on April 2, 1984 and reply comments were due May 21, 1984. On May 16, GTE Service Corporation and United Telecom Communications, Inc. (GTE) jointly filed a motion for an extension of time in which to file reply comments.²

2. GTE's motion for extension of time provides as the basis for relief the great volume of comments filed in this proceeding (over 600 pages), and the concurrent demands made on the industry in connection with other Commission proceedings. GTE states that a minimum two-week extension of time is necessary for the parties to make a constructive and thoughtful contribution to the record in this proceeding.

3. We find that in light of the importance of this inquiry, the public interest would be served by allowing an additional two weeks for reply comments to be filed. Accordingly, the date for filing reply comments in the *Long-Run Regulation of AT&T's Basic Domestic Services* is extended to June 4, 1984.

4. So ordered.

Federal Communications Commission.
Jack D. Smith,
Chief, Common Carrier Bureau.

[FR Doc. 84-15150 Filed 6-4-84; 10:45 am]
BILLING CODE 6712-01-M

47 CFR Part 15

[General Docket No. 83-325; RM-4062; RM-4075; FCC 84-232]

Addition of New Interim Provisions for Cordless Telephones

AGENCY: Federal Communications Commission.

ACTION: Further notice of proposed rule making.

SUMMARY: This Notice proposes a labelling requirement for cordless

² The Commission's Regulations require motions for extensions of time to be filed at least seven days before the filing date. 47 CFR § 1.46. GTE's motion, therefore, is untimely, and we cannot condone their dilatoriness in light of the fact that they presented no explanation or excuse for filing late. We will address the merits of their request in this instance due to the importance of the proceeding. GTE is admonished, however, to make future motions in a timely manner.