

(lat. 42°24'09" N., long. 96°23'04" W.)
 Sioux City VORTAC
 (lat. 42°20'40" N., long. 96°19'25" W.)
 Gateway NDB
 (lat. 42°24'29" N., long. 96°23'09" W.)

That airspace extending upward from the surface within 2.2 miles each side of the 140° radial of the Sioux City VORTAC extending from the 4.3-mile radius of the Sioux Gateway Airport to 5.3 miles southeast of the VORTAC and 2.5 miles each side of the 170° bearing from the Gateway NDB extending from the 4.3-mile radius of the Sioux Gateway Airport to 7 miles south of the NDB. This Class E airspace area is effective during the specific dates and times established in advance by a Notice to Airmen. The effective date and time will thereafter be continuously published in the Airport/Facility Directory.

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 Issued in Kansas City, MO, on July 16, 1996.

Herman J. Lyons, Jr.,
 Manager, Air Traffic Division Central Region.
 [FR Doc. 96-20002 Filed 8-5-96; 8:45 am]
 BILLING CODE 4910-13-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 97]

Staff Accounting Bulletin No. 97

AGENCY: Securities and Exchange Commission.
ACTION: Publication of Staff Accounting Bulletin.

SUMMARY: The interpretations in this staff accounting bulletin express the views of the staff regarding the inappropriate application of Staff Accounting Bulletin No. 48, *Transfers of Nonmonetary Assets by Promoters or Shareholders*, to purchase business combinations consummated just prior to or concurrent with an initial public offering, and the identification of an accounting acquirer in accordance with APB Opinion No. 16, *Business Combinations*, for purchase business combinations involving more than two entities.

EFFECTIVE DATE: July 31, 1996.

FOR FURTHER INFORMATION CONTACT: Brian Heckler, Office of the Chief Accountant (202-942-4400), or Douglas Tanner, Division of Corporation Finance (202-942-2960), Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission's official

approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws.

Dated: July 31, 1996.
 Margaret H. McFarland,
 Deputy Secretary.

PART 211—[AMENDED]

Accordingly, Part 211 of Title 17 of the Code of Federal Regulations is amended by adding Staff Accounting Bulletin No. 97 to the table found in Subpart B.

Staff Accounting Bulletin No. 97

The staff hereby adds Item 8 and Question 2 to Item 2 to Section A of Topic 2 of the Staff Accounting Bulletin Series. Item 8 of Topic 2:A provides guidance regarding the applicability of SAB No. 48 to purchase business combinations just prior to or concurrent with an initial public offering. Question 2 of Topic 2:A(2) provides the staff's views regarding the identification of an accounting acquirer in a business combination involving more than two entities.

TOPIC 2: BUSINESS COMBINATIONS

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A. Purchase Method

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8. Business Combinations Prior to an Initial Public Offering

Facts: Two or more businesses combine in a single combination just prior to or contemporaneously with an initial public offering.

Question 1: Does the guidance in SAB Topic 5:G (SAB No. 48) apply to business combinations entered into just prior to or contemporaneously with an initial public offering?

Interpretive Response: No. The guidance in SAB Topic 5:G is intended to address the transfer, just prior to or contemporaneously with an initial public offering, of nonmonetary assets in exchange for a company's stock. The guidance in SAB Topic 5:G is not intended to modify the requirements of APB Opinion No. 16, "Business Combinations" (APB Opinion 16).¹ Accordingly, the staff believes that the combination of two or more businesses should be accounted for in accordance

¹The provisions of APB Opinion 16 apply to transactions involving the transfer of net assets as well as the acquisition of stock of a corporation. This guidance does not address the accounting for joint ventures or leveraged buy-out transactions as discussed in EITF Issue No. 88-16.

with APB Opinion 16 and its interpretations.²

Paragraphs 46 through 48 of APB Opinion 16 specify the conditions that must be met for a business combination to be recorded using the pooling-of-interests method of accounting. If the business combination fails to meet any of the conditions for the pooling-of-interests method of accounting, APB Opinion 16 requires the combination to be recorded as the acquisition of one or more entities by an acquiring entity using the purchase method.³

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2. Determination of the Acquiring Corporation

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Question 2

Facts: Three or more substantive operating entities combine in a single business combination effected by the issuance of stock. The combination occurs just prior to or contemporaneously with an initial public offering and does not meet the criteria in APB Opinion No. 16, "Business Combinations," (APB Opinion 16) for the application of the pooling-of-interests method of accounting.¹

Question: In the staff's view, does APB Opinion 16 require the identification of an acquirer when three or more entities combine in a single transaction accounted for using the purchase method of accounting?

Interpretive Response: Yes. The staff believes that APB Opinion 16 requires the identification of the acquiring entity for all business combinations that are

²Except as otherwise provided below, the staff will expect the provisions of this SAB to be applied by registrants in all filings with the Commission subsequent to the publication of this guidance. The staff is aware that accounting practices regarding the application of SAB Topic 5:G to business combinations have varied in previous filings with the Commission. Accordingly, the staff generally will not object to the application of the guidance in SAB Topic 5:G to business combinations entered into just prior to, or contemporaneously with, an initial public offering for which merger agreements were executed by all of the combining companies prior to the publication of this guidance and the initial public offering is filed with the Commission prior to September 30, 1996.

³AICPA Accounting Interpretation No. 38 of APB Opinion 16 states, "when more than two companies negotiate a combination which is contingent upon the mutual agreement by the several companies to the terms, the resulting combination is deemed to be a single business combination regardless of the number of companies involved. Each company must meet all of the conditions of paragraphs 46-48 if the combination is to be accounted for by the pooling of interest method. . . if any condition in paragraphs 46-48 is not met by any company, the entire combination would be accounted for by the purchase method."

¹See AICPA Accounting Interpretation No. 38 of APB Opinion 16.

required to be accounted for using the purchase method of accounting.

When more than two entities are involved in a purchase business combination, the identification of the acquiring entity may require rigorous analysis when no single former shareholder group obtains more than 50 percent of the outstanding shares of the new entity following the transaction. APB Opinion 16 states, "presumptive evidence of the acquiring corporation in combinations effected by an exchange of stock is obtained by identifying the former common shareholder interests of a combining company which either retain or receive the larger portion of the voting rights in the combined corporation."² Thus, even when no single former shareholder group of the combining entities individually obtains more than a 50 percent ownership interest in the new combined entity, the staff believes that the shareholder group receiving the largest ownership interest in the combined company should be presumed to be the acquirer unless objective and verifiable evidence rebuts that presumption and supports the identification of a different shareholder group as the acquirer for accounting purposes.³

[FR Doc. 96-19901 Filed 8-5-96; 8:45 am]

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DEPARTMENT OF ENERGY

Federal Energy Regulatory Commission

18 CFR Part 381

[Docket No. RM96-15-000]

Annual Update of Filing Fees

July 31, 1996.

AGENCY: Federal Energy Regulatory Commission.

ACTION: Final rule; annual update of Commission filing fees.

SUMMARY: In accordance with § 381.104 of the Commission's regulations, the Commission issues this update of its filing fees. This document provides the yearly update using data in the

² APB Opinion 16, paragraph 70.

³ The accounting acquirer should provide its financial statements for the periods specified in Rules 3-01 and 3-02 of Regulation S-X. The financial statements of each individually significant acquired company should be presented pursuant to the requirements of Rule 3-05 of Regulation S-X and SAB No. 80. The presentation of pre-acquisition combined financial statements of the accounting acquirer and the acquired companies is not appropriate for a transaction that is not accounted for using the pooling-of-interests method.

Commission's Payroll Utilization Reporting System to calculate the new fees. The purpose of updating is to adjust the fees on the basis of the Commission's costs for Fiscal Year 1995.

EFFECTIVE DATE: September 5, 1996.

FOR FURTHER INFORMATION CONTACT:

John Sotelo, Office of the Executive Director and Chief Financial Officer, Federal Energy Regulatory Commission, 888 First Street, N.E., Room 42-69, Washington, D.C. 20426, (202) 219-2927.

SUPPLEMENTARY INFORMATION: In addition to publishing the full text of this document in the Federal Register, the Commission also provides all interested persons an opportunity to inspect or copy the contents of this document during normal business hours in Room 2A, 888 First Street, N.E., Washington, D.C. 20426.

The Commission Issuance Posting System (CIPS), an electronic bulletin board service, provides access to the texts of formal documents issued by the Commission. CIPS is available at no charge to the user and may be accessed using a personal computer with a modem by dialing (202) 208-1397 if dialing locally or 1-(800) 856-3920 if dialing long distance. To access CIPS, set your communications software to 19200, 144000, 12000, 9600, 7200, 4800, 2400, or 1200 bps, full duplex, no parity, 8 data bits, and 1 stop bit. The full text of this document will be available on CIPS indefinitely in ASCII and WordPerfect 5.1 format for one year. The complete text on diskette in WordPerfect format may also be purchased from the Commission's copy contractor, La Dorn Systems Corporation, also located in Room 2A, 888 First Street, N.E., Washington, D.C. 20426.

The Federal Energy Regulatory Commission (Commission) by its designee the Executive director and Chief Financial Officer¹ is issuing this notice to update filing fees the Commission assesses for specific services and benefits provided to identifiable beneficiaries. Pursuant to § 381.104 of the Commission's regulations, the Commission is establishing updated fees on the basis of the Commission's Fiscal Year 1995 costs. The adjusted fees announced in this notice are effective September 5, 1996. The new fee schedule is as follows:

¹ 18 CFR 375.313(a).

Fees Applicable to the Natural Gas Policy Act:	
1. Petitions for rate approval pursuant to 18 CFR 284.123(b)(2). (18 CFR 381.403)	\$6,370
Fees Applicable to General Activities	
1. Petition for issuance of a declaratory order (except under Part I of the Federal Power Act). (18 CFR 381.302(a))	12,790
2. Review of a Department of Energy remedial order:	
<i>Amount in Controversy</i>	
\$0-9,999. (18 CFR 381.303(b))	100
\$10,000-29,999. (18 CFR 381.303(b))	600
\$30,000 or more. (18 CFR 381.303(a))	18,680
3. Review of a Department of Energy denial of adjustment:	
<i>Amount in Controversy</i>	
\$0-9,999. (18 CFR 381.304(b))	100
\$10,000-29,999. (18 CFR 381.304(b))	600
\$30,000 or more. (18 CFR 381.304(a))	9,790
4. Written legal interpretations by the Office of General Counsel. (18 CFR 381.305(a))	3,670
Fees Applicable to Natural Gas Pipelines:	
1. Pipeline certificate applications pursuant to 18 CFR 284.224. (18 CFR 381.207(b))	1,000
Fees Applicable to Cogenerators and Small Power Producers:	
1. Certification of qualifying status as a small power production facility. (18 CFR 381.505(a))	11,000
2. Certification of qualifying status as a cogeneration facility. (18 CFR 381.505(a))	12,450
3. Applications for exempt wholesale generator status. (18 CFR 381.801)	1,670

List of Subjects in 18 CFR Part 381

Electric power plants, Electric utilities, Natural gas, Reporting and recordkeeping requirements.

Christie McGue,

Executive Director and Chief Financial Officer.

In consideration of the foregoing, the Commission amends Part 381, Chapter I, Title 18, *Code of Federal Regulations*, as set forth below.

PART 381—FEES

1. The authority citation for Part 381 continues to read as follows:

Authority: 15 U.S.C. 717-717w; 16 U.S.C. 791-828c, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7101-7352; 49 U.S.C. 60502; 49 App. U.S.C. 1-85.