

negative comment and, therefore, is issuing it as a direct final rule. Previous actions of this nature have not been controversial and have not resulted in adverse comments or objections. The amendment will enhance safety for all flight operations by designating an area where VFR pilots may anticipate the presence of IFR aircraft at lower altitudes, especially during inclement weather conditions. A greater degree of safety is achieved by depicting the area on aeronautical charts. Unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment is received within the comment period, the regulation will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the Federal Register indicating that no adverse or negative comments were received, confirming the date on which the final rule will become effective. If the FAA does receive an adverse or negative comment within the comment period, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the Federal Register, and a notice of proposed rulemaking may be published with a new comment period.

Comments Invited

Although this action is in the form of a final rule and was not preceded by a notice of proposed rulemaking, comments are invited on this rule. Interested persons are invited to comment on this rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to the address specified under the caption **ADDRESSES**. All communications received on or before the closing date for comments will be considered, and this rule may be amended or withdrawn in light of the comments received. Factual information that supports the commenter's ideas and suggestions is extremely helpful in evaluating the effectiveness of this action and determining whether additional rulemaking action would be needed.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the rule that might suggest a need to modify the rule. All comments submitted will be available, both before and after the closing date for comments in the Rules Docket for examination by interested persons. A report that summarizes each FAA/public contact concerned with the substance of this action will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 96-ACE-10." The postcard will be date stamped and returned to the commenter.

Agency Findings

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

The FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

Accordingly, the Federal Aviation Administration amends Part 71 of the Federal Aviation Regulations (14 CFR Part 71) as follows:

PART 71—AMENDED

1. The authority citation for Part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., P. 389; 14 CFR 11.69.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9C, Airspace Designations and Reporting Points, dated August 17, 1995, and effective September 16, 1995, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

ACE NE E5 Seward, NE [Revised]

Seward Municipal Airport, NE
(Lat. 40°51'55" N., long. 97°06'34" W.)

Seward NDB
(Lat. 40°51'54" N., long. 97°06'22" W.)

That airspace extending upward from 700 feet above the surface within a 6.4-mile radius of Seward Municipal Airport and within 4 miles each side of the 166° bearing from the Seward NDB extending from the 6.4-mile radius to 14 miles southeast of the NDB and 4 miles each side of the 359° bearing from Seward NDB extending from the 6.4-mile radius to 13 miles north of the NDB.

* * * * *

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

Herman J. Lyons, Jr.,

Manager, Air Traffic Division Central Region.

[FR Doc. 96-20003 Filed 8-5-96; 8:45 am]

BILLING CODE 4910-13-M

14 CFR Part 71

[Docket No. 96-ACE-11]

Amendment to Class E Airspace, Sioux City, IA

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Direct final rule; request for comments.

SUMMARY: This action amends the Class E airspace area at Sioux Gateway Airport, Sioux City, IA. The Federal Aviation Administration has developed Standard Instrument Approach Procedures (SIAP) based on the Global Positioning System (GPS) and the Non-directional Radio Beacon (NDB) which has made this change necessary. The effect of this rule is to provide additional controlled airspace for aircraft executing the new SIAP at Sioux Gateway Airport.

DATES: Effective date: October 25, 1996.

Comment date: Comments must be received on or before September 6, 1996.

ADDRESSES: Send comments regarding the rule in triplicate to: Manager, Operations Branch, Air Traffic Division, ACE-530, Federal Aviation Administration, Docket Number 96-ACE-11, 601 East 12th St., Kansas City, MO 64106.

The official docket may be examined in the Office of the Assistant Chief Counsel for the Central Region at the same address between 9:00 a.m. and 3:00 p.m., Monday through Friday, except federal holidays.

An formal docket may also be examined during normal business hours in the Air Traffic Division at the same address listed above.

FOR FURTHER INFORMATION CONTACT: Kathy Randolph, Air Traffic Division, Operations Branch, ACE-530C, Federal Aviation Administration, 601 East 12th Street, Kansas City, Missouri 64106; telephone: (816) 426-3408.

SUPPLEMENTARY INFORMATION: The FAA has developed Standard Instrument Approach Procedures (SIAP) utilizing the Global Positioning System (GPS) and the Non-directional Radio Beacon (NDB) at the Sioux Gateway Airport, Sioux City, IA. The amendment to Class E airspace at Sioux City, IA, will provide additional controlled airspace to segregate aircraft operating under Visual Flight Rules (VFR) from aircraft operating under Instrument Flight Rules (IFR) procedures while arriving or departing the airport. The area will be depicted on appropriate aeronautical charts thereby enabling pilots to either circumnavigate the area, continue to operate under VFR to and from the airport, or otherwise comply with IFR procedures. Class E airspace areas extending from 700 feet or more above the surface of the earth are published in paragraph 6005 of FAA Order 7400.9C, dated August 17, 1995, and effective September 16, 1995, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document will be published subsequently in the Order.

The Direct Final Rule Procedure

The FAA anticipates that this regulation will not result in adverse or negative comment and, therefore, is issuing it as a direct final rule. Previous actions of this nature have not been controversial and have not resulted in adverse comments or objections. The amendment will enhance safety for all flight operations by designating an area where VFR pilots may anticipate the presence of IFR aircraft at lower altitudes, especially during inclement weather conditions. A greater degree of safety is achieved by depicting the area on aeronautical charts. Unless a written adverse or negative comment, or a written notice of intent to submit an adverse or negative comment is received within the comment period, the regulation will become effective on the date specified above. After the close of the comment period, the FAA will publish a document in the Federal Register indicating that no adverse or negative comments were received, confirming the date on which the final rule will become effective. If the FAA

does receive an adverse or negative comment within the comment period, or written notice of intent to submit such a comment, a document withdrawing the direct final rule will be published in the Federal Register, and a notice of proposed rulemaking may be published with a new comment period.

Comments Invited

Although this action is in the form of a final rule and was not preceded by a notice of proposed rulemaking, comments are invited on this rule. Interested persons are invited to comment on this rule by submitting such written data, views, or arguments as they may desire. Communications should identify the Rules Docket number and be submitted in triplicate to the address specified under the caption **ADDRESSES**. All communications received on or before the closing date for comments will be considered, and this rule may be amended or withdrawn in light of the comments received. Factual information that supports the commenter's ideas and suggestions is extremely helpful in evaluating the effectiveness of this action and determining whether additional rulemaking action would be needed.

Comments are specifically invited on the overall regulatory, economic, environmental, and energy aspects of the rule that might suggest a need to modify the rule. All comments submitted will be available, both before and after the closing date for comments in the Rules Docket for examination by interested persons. A report that summarizes each FAA-public contact concerned with the substance of this action will be filed in the Rules Docket.

Commenters wishing the FAA to acknowledge receipt of their comments submitted in response to this rule must submit a self-addressed, stamped postcard on which the following statement is made: "Comments to Docket No. 96-ACE-11." The postcard will be date stamped and returned to the commenter.

Agency Findings

The regulations adopted herein will not have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12612, it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

The FAA has determined that this regulation is noncontroversial and

unlikely to result in adverse or negative comments. For the reasons discussed in the preamble, I certify that this regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under Department of Transportation (DOT) Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

Accordingly, the Federal Aviation Administration amends Part 71 of the Federal Aviation Regulations (14 CFR Part 71) as follows:

PART 71—[AMENDED]

1. The authority citation for Part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g); 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389; 14 CFR 11.69.)

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9C, Airspace Designations and Reporting Points, dated August 17, 1995, and effective September 16, 1995, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

* * * * *

ACE IA E5 Sioux City, IA [Revised]

Sioux City, Sioux Gateway Airport, IA

(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 700 feet above the surface within a 7-mile radius of Sioux Gateway Airport and within 3 miles each side of the 139° degree radial of the Sioux City VORTAC extending from the 7-mile radius to 17.8 miles southeast of the VORTAC and within 3 miles each side of the 319° radial of the Sioux City VORTAC extending from the 7-mile radius to 25.3 miles northwest of the VORTAC and 2 miles each side of the 260° bearing from the Sioux Gateway Airport extending from the 7-mile radius to 9.2 miles north of the airport.

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ACE IA E4 Sioux City, IA [Revised]

Sioux City, Sioux Gateway Airport, IA

(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

* * * * *

A. Purchase Method

* * * * *

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

¹ The 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

* * * * *

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

² Except 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.

³ AICPA 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."

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