

DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 71**

[Docket No. FAA-2004-18826; Airspace
Docket No. 04-ACE-52]

**Modification of Class E Airspace;
Lamar, MO**

AGENCY: Federal Aviation
Administration (FAA), DOT.

ACTION: Direct final rule; request for
comments.

SUMMARY: This action amends title 14
Code of Federal Regulations, part 71 (14
CFR 71) by revising Class E airspace at
Lamar, MO. A review of the Class E
airspace area extending upward from
700 feet above the surface at Lamar, MO
revealed it does not reflect the current
Lamar Municipal Airport airport
reference point (ARP) and is not in
compliance with established airspace
criteria. This airspace area is enlarged
and modified to conform to FAA
Orders.

DATES: This direct final rule is effective
on 0901 UTC, January 20, 2005.
Comments for inclusion in the Rules
Docket must be received on or before
November 9, 2004.

ADDRESSES: Send comments on this
proposal to the Docket Management
System, U.S. Department of
Transportation, Room Plaza 401, 400
Seventh Street, SW., Washington, DC
20590-0001. You must identify the
docket number FAA-2004-18826/
Airspace Docket No. 04-ACE-52, at the
beginning of your comments. You may
also submit comments on the Internet at
<http://dms.dot.gov>. You may review the
public docket containing the proposal,
any comments received, and any final
disposition in person in the Dockets
Office between 9 a.m. and 6 p.m.,
Monday through Friday, except Federal
holidays. The Docket Office (telephone
1-800-647-5527) is on the plaza level
of the Department of Transportation
NASSIF Building at the above address.

FOR FURTHER INFORMATION CONTACT:
Brenda Mumper, Air Traffic Division,
Airspace Branch, ACE-520A, DOT
Regional Headquarters Building, Federal
Aviation Administration, 901 Locust
Kansas City, MO 64106; telephone:
(816) 329-2524.

SUPPLEMENTARY INFORMATION: This
amendment to 14 CFR part 71 modifies
the Class E airspace area extending
upward from 700 feet above the surface
at Lamar, MO. An examination of
controlled airspace for Lamar, MO

revealed that the Lamar Municipal
Airport ARP used in the legal
description for this Class E airspace area
is incorrect and that the airspace area
does not comply with airspace
requirements for diverse departures as
set forth in FAA Order 7400.2E,
Procedures for Handling Airspace
Matters. The examination also identified
that the dimensions of the extension to
the Class E airspace area are not in
compliance with FAA Order 8260.19C,
Flight Procedures and Airspace. This
action expands the Lamar, MO Class E
airspace area extending upward from
700 feet above the surface from a 6-mile
radius to a 6.3-mile radius of Lamar
Municipal Airport, corrects the ARP in
the legal description, decreases the
length and width of the extension from
7.4 to 7 miles and from 2.6 to 2.5 miles
respectively and brings the legal
description of the airspace area into
compliance with FAA Orders 7400.2E
and 8260.19C. This area will be
depicted on appropriate aeronautical
charts. Class E airspace areas extending
upward from 700 feet or more above the
surface of the earth are published in
paragraph 6005 of FAA Order 7400.9M,
Airspace Designations and Reporting
Points, dated August 30, 2004, and
effective September 16, 2004, 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. 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 and
confirming the date on which the final
rule will become effective. If the FAA
does receive, within the comment
period, an adverse or negative comment,
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

Interested parties are invited to
participate in this rulemaking by
submitting such written data, views, or
arguments, as they may desire.
Comments that provide the factual basis
supporting the views and suggestions
presented are particularly helpful in
developing reasoned regulatory
decisions on the proposal. Comments
are specifically invited on the overall
regulatory, aeronautical, economic,
environmental, and energy-related
aspects of the proposal.
Communications should identify both
docket numbers and be submitted in
triplicate to the address listed above.
Commenters wishing the FAA to
acknowledge receipt of their comments
on this notice must submit with those
comments a self-addressed, stamped
postcard on which the following
statement is made: "Comments to
Docket No. FAA-2004-18826/Airspace
Docket No. 04-ACE-52." The postcard
will be date/time stamped and returned
to the commenter.

Agency Findings

The regulations adopted herein will
not have a substantial direct effect 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, it is
determined that this final rule does not
have federalism implications under
Executive Order 13132.

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, Incorporated by reference,
Navigation (air)

Adoption of the Amendment

■ Accordingly, the Federal Aviation
Administration amends 14 CFR part 71
as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

■ 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.

§ 71.1 [Amended]

■ 2. The incorporation by reference in 14 CFR 71.1 of Federal Aviation Administration Order 7400.9M, dated August 30, 2004, and effective September 16, 2004, is amended as follows:

* * * * *

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

* * * * *

ACE MO E5 Lamar, MO

Lamar Municipal Airport, MO
(Lat. 37°29'22" N., long. 94°18'41" W.)
Spring River NDB
(Lat. 37°29'13" N., long. 94°18'37" W.)

That airspace extending upward from 700 feet above the surface within a 6.3-mile radius of Lamar Municipal Airport and within 2.5 miles each side of the 221° bearing from the Spring River NDB extending from the 6.3-mile radius of the airport to 7 miles southwest of the NDB.

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Dated: Issued in Kansas City, MO on September 21, 2004.

Elizabeth S. Wallis,

Acting Manager, Air Traffic Division, Central Region.

[FR Doc. 04–22278 Filed 10–1–04; 8:45 am]

BILLING CODE 4910–13–M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 106]

Staff Accounting Bulletin No. 106

AGENCY: Securities and Exchange Commission.

ACTION: Publication of staff accounting bulletin.

SUMMARY: The interpretations in this staff accounting bulletin express the staff's views regarding the application of FASB Statement No. 143, *Accounting for Asset Retirement Obligations*, by oil and gas producing companies following the full cost accounting method.

DATES: Effective September 28, 2004.

FOR FURTHER INFORMATION CONTACT:

Cathy J. Cole or John W. Albert, Office of the Chief Accountant (202) 942–4400 or Leslie A. Overton, Division of

Corporation Finance (202) 942–2960, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–1103.

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: September 28, 2004.

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. 106 to the table found in subpart B.

Note: The text of SAB 106 will not appear in the Code of Federal Regulations.

Staff Accounting Bulletin No. 106

The staff hereby adds Section 4 to Topic 12–D of the staff accounting bulletin series. Topic 12–D.4 provides guidance regarding the interaction of Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*, with the full cost accounting rules in Article 4–10 of Regulation S–X.

Topic 12: Oil and Gas Producing Activities

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D. Application of Full Cost Method of Accounting

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4. Interaction of Statement 143¹ and the Full Cost Rules

a. Impact of Statement 143 on the Full Cost Ceiling Test

Facts: A company following the full cost method of accounting under Rule 4–10(c) of Regulation S–X must periodically calculate a limitation on capitalized costs, *i.e.*, the full cost ceiling. Prior to adopting Statement 143, in calculating the full cost ceiling a company reduced the expected future revenues from proved oil and gas reserves by the estimated future expenditures to be incurred in developing and producing such reserves discounted using a factor specified in the rule. While expected future cash

flows related to the asset retirement obligation (ARO) were included in the calculation of the ceiling test, no associated asset was recorded. Under Statement 143, a company must recognize a liability for an asset retirement obligation at fair value in the period in which the obligation is incurred, if a reasonable estimate of fair value can be made. The company also must initially capitalize the associated asset retirement costs by increasing long-lived oil and gas assets by the same amount as the liability. Any asset retirement costs capitalized pursuant to Statement 143 are subject to the full cost ceiling limitation under Rule 4–10(c)(4) of Regulation S–X. If after adoption of Statement 143, a company were to continue calculating the full cost ceiling by reducing expected future net revenues by the cash flows required to settle the ARO, then the effect would be to “double-count” such costs in the ceiling test. The assets that must be recovered would be increased while the future net revenues available to recover the assets continue to be reduced by the amount of the ARO settlement cash flows.

Question 1: After adopting Statement 143, how should a company compute the full cost ceiling to avoid double-counting the expected future cash outflows associated with asset retirement costs?

Interpretive Response: After adoption of Statement 143, the future cash outflows associated with settling AROs that have been accrued on the balance sheet should be excluded from the computation of the present value of estimated future net revenues for purposes of the full cost ceiling calculation.^{2 3}

Question 2: What disclosures should the company provide on the interaction of Statement 143 and the full cost rules?

Interpretive Response: In order to inform financial statement users on the interaction of Statement 143 and the full cost rules, a company following such rules is expected to provide appropriate disclosures in the financial statement footnotes and Management's Discussion and Analysis explaining in detail how

² If an obligation for expected asset retirement costs has not been accrued under Statement 143 for certain asset retirement costs required to be included in the full cost ceiling calculation under Rule 4–10(c)(4), such costs should continue to be included in the full cost ceiling calculation.

³ This approach is consistent with the guidance in paragraph 12 of Statement 143 on testing for impairment under Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Under that guidance, the asset tested should include capitalized asset retirement costs. The estimated cash flows related to the associated ARO that has been recognized in the financial statements are to be excluded from both the undiscounted cash flows used to test for recoverability and the discounted cash flows used to measure the asset's fair value.

¹ Statement of Financial Accounting Standards No. 143 (Statement 143), *Accounting for Asset Retirement Obligations*, is effective for financial statements issued for fiscal years beginning after June 15, 2002.