3. The Appendix to Subpart A of Part 211 is amended by the addition of a Special Rule No. 4 to read as follows:

SPECIAL RULE No. 4

1. *Scope*. Notwithstanding the exemption of motor gasoline from the Mandatory Petroleum Allocation Regulations, this Special Rule provides for a continuation of the State set-aside program for motor gasoline for the months March 1977 through November 1977, as set forth below, and the establishment of a transitional assignment program for motor gasoline for the months March 1977 through February 1978.

2. *Provision for motor gasoline set-aside*. (a) Notwithstanding the provisions of paragraph (h) of § 210.35 and of subparagraph (10) of paragraph (b) of § 211.1, the set-aside established for motor gasoline for assignment by State Offices in accordance with the provisions of §§ 211.17 and 211.107(a) and Subpart Q of the Federal Energy Administration Administrative Procedures and Sanctions (10 CFR 205.210 et seq.) is hereby continued for the months March 1977 through November 1977, except as modified herein.

(b) In addition to those wholesale-purchaser consumers and end-users eligible to receive an assignment from the State set-aside, and those wholesale purchaser-resellers seeking an assignment to enable them to supply such wholesale purchaser-consumers and end-users under 10 CFR 205.211 (a), any wholesale purchaser-reseller which is experiencing a hardship due to its inability to obtain an adequate supply of motor gasoline may apply for and receive an assignment of motor gasoline in accordance with the provisions of § 211.17 and 10 CFR 205.210 et seq.

(c) The State set-aside percentage level for motor gasoline will be three percent for the months March, April, and May 1977, two percent for June, July, and August 1977, and one percent for September, October, and November 1977.

3. *Transitional assignment program*. Notwithstanding any contrary provisions of Parts 205 and 211 of this chapter, assignments of base period suppliers and base period use for wholesale purchasers of motor gasoline shall be made in accordance with the provisions of this Special Rule.

(a) No supplier/wholesale purchaser relationship in effect under § 211.9 of this part as of February 28, 1977, may be terminated before March 1, 1978 by a supplier except upon written notice to the wholesale purchaser given at least ninety (90) days prior to the date on which the supplier intends to terminate the supply relationship. A termination under this paragraph (a) may only be effective at the end end of the period corresponding to a base period coinciding with or following the expiration of the ninety (90) day notice period. Any such ninety (90) day period may not begin prior to March 1, 1977.

(b) Any wholesale purchaser which has received a notice from its supplier under paragraph (a) above shall make a diligent effort to locate an alternate source of supply. If its effort is unsuccessful it may apply to the appropriate FEA Regional Office for a continuation of its current supplier/purchaser relationship, but any such application shall be made at least thirty (30) days prior to the date on which the termination under paragraph (a) is to become effective. The applicant shall certify to the FEA that it has made a diligent unsuccessful effort to locate an alternate source of supply and shall set forth in its application (i) the name and address of its base period supplier; (ii) its base period use with that supplier for each period corresponding to a base period; and (iii) the names and addresses of other suppliers contacted with respect to the applicant's efforts to locate an alternate source of supply, the volumes requested from each such other supplier, and the dates of those contacts. The applicant shall send a copy of its application to its base period supplier.

(c) If FEA determines that an applicant has made a diligent unsuccessful effort to locate an alternate source of supply, FEA shall order a continuation of the applicant's existing supplier/purchaser relationship for a period of three consecutive periods corresponding to a base period. While a continuation order is in effect, the wholesale purchaser shall again make a diligent effort to locate an alternate source of supply. If the wholesale purchaser is again unsuccessful, it may again apply for a continuation in accordance with paragraph (b) above.

(d) If FEA fails to take action on a timely filed application under paragraph (b) or (c) prior to the date upon which the termination of the supplier/purchaser relationship which is the subject of the application is to become effective, the supplier/purchaser relationship shall be automatically extended for a period of one (1) month pending FEA action on the application. If FEA fails to take action on a late filed application under paragraph (b) or (c) prior to the date upon which the termination of the supplier/purchaser relationship which is the subject of the application is to become effective, FEA may issue a temporary continuation order for a period of one (1) month pending FEA action on the application upon a showing by the applicant of good cause for the late filing.

(e) FEA may issue with respect to any supplier/purchaser relationship no more than three (3) continuation orders. In no event may the provisions of a continuation order be effective beyond February 28, 1978.

(f) The failure of any wholesale purchaser to purchase its full allocation entitlement from its base period supplier without the written consent of that supplier in any three (3) month period shall disqualify any such purchaser from being eligible for issuance of a further continuation order covering volumes in excess of the percentage of the allocation entitlement lifted in the previous three (3) month period, unless such failure to purchase is due to factors beyond the control of that wholesale purchaser and FEA determines that such disqualification would impose an undue hardship on that wholesale purchaser.

4. *Non-discrimination requirement*. To prohibit any form of discrimination (including price discrimination) which has the effect of circumventing, frustrating, or impairing the objectives, purposes and intent of this Special Rule, the requirements of paragraph (b) of § 210.62 of this chapter shall continue to apply to suppliers to which an authorizing document is presented pursuant to the continuation of the motor gasoline set-aside under this Special Rule, to suppliers which are subject to a continuation order under the transitional assignment program of this Special Rule, and to all suppliers which are still supplying purchasers because they have failed to give notice of intent to terminate supplies or such termination has not yet become effective.

[FR Doc.77-2269 Filed 1-19-77;2:10 p.m.]

PART 210—GENERAL ALLOCATION AND PRICE RULES

PART 212—MANDATORY PETROLEUM PRICE REGULATIONS

Exemption of Motor Gasoline From Mandatory Petroleum Price Regulations

INTRODUCTION

On November 19, 1976, the Federal Energy Administration ("FEA") issued a notice of proposed rulemaking and public hearing (41 FR 51832, November 24, 1976) to amend 10 CFR Parts 210, 211 and 212 to exempt motor gasoline (as defined in 10 CFR 211.51 and 212.31 of the Mandatory Petroleum Allocation and Price Regulations) and to establish a special motor gasoline set-aside for the transitional period following decontrol. The proposal was based on tentative conclusions set forth in a document dated November 16, 1976, entitled "Preliminary Findings and Views Concerning the Exemption of Motor Gasoline from the Mandatory Petroleum Allocation and Price Regulations" ("Preliminary Findings").

Concurrent with the issuance of this amendment exempting motor gasoline from the Mandatory Petroleum Price Regulations, a separate amendment is being issued to exempt motor gasoline from the Mandatory Petroleum Allocation Regulations. Both amendments are being submitted for Congressional review, as Energy Actions Nos. 9 and 8, respectively, pursuant to section 551 of the Energy Policy and Conservation Act, Pub. L. 94-163 ("EPCA"), and in accordance with section 102 of the Energy Conservation and Production Act, Pub. L. 94-385 ("ECPA"), which in effect requires that FEA submit separate energy actions to the Congress when proposing the exemption of a refined petroleum product from both price and allocation regulations, but does not prohibit concurrent submissions of such separate energy actions.

Written comments on the exemption proposal and on the Preliminary Findings were invited through December 15, 1976 and public hearings were held on December 14 and 15, 1976 in Washington, D.C.; Atlanta, Georgia; Chicago, Illinois; Dallas, Texas; Denver, Colorado; New York, N.Y.; and San Francisco, California. As of December 31, 1976, 307 parties had submitted oral and written comments in response to the proposed exemption. Those offering comments included major integrated refining companies, large and small independent refining companies, branded and nonbranded wholesale gasoline distributors, retail sales outlets, trade associations, consumer groups and governmental representatives.

A substantial majority of those commenting agreed with FEA that motor gasoline should be exempted from FEA's allocation and price regulations. This support was based generally upon agreement with FEA's conclusions as to supply and demand projections, competition, and other findings and views set forth in the Preliminary Findings. In particular, there was widespread agreement that competition has been keeping retail gasoline prices below the maximum prices allowed under the Mandatory Petroleum Price Regulations. Most marketers commenting also favored the establishment of a mechanism to assure them a source of supply during the transition following the exemptions. Certain comments at the December hearings noted that the Preliminary Findings, issued contemporaneously with the exemption proposal, were not consistent with data from the economic forecasting firm, Data Resources, Inc. ("DRI"), whose macroeconomic model drives FEA's short-term petroleum demand model. DRI released revised economic forecasts, on which these comments were based, after the analysis for the Preliminary Findings was completed. Information derived from the most recent DRI "Cycle-long" forecast has, however, now been incorporated into FEA's current findings and views. After carefully considering all the comments and making the appropriate revisions to the data supporting its proposed findings, FEA has concluded that its initial view that motor gasoline should be exempted from regulations is correct.

No information or data were presented in this proceeding which significantly alter FEA's Preliminary Findings and Views. FEA does not anticipate that supply shortages will occur or that motor gasoline will rise to higher levels than if controls were continued. In any event, FEA has standby authority under section 12(f) of the Emergency Petroleum Allocation Act of 1973 (EPAA) to reimpose controls (on a temporary or permanent basis) if necessary to attain the objectives set forth in section 4(b)(1) of the EPAA. Therefore, FEA hereby adopts the proposed amendments exempting motor gasoline from the Mandatory Petroleum Price Regulations.

In the exemption proposal, FEA requested comments on the appropriate lead time which should be provided before the decontrol amendment would become effective so as to assure a smooth transition to a decontrolled market. FEA proposed an effective date of the first day of the month following the first full month subsequent to the expiration of the Congressional review period. The fifteen day review period under section 551 of the EPCA will expire shortly after February 1, 1977. Upon consideration of the comments received on this issue, FEA has concluded that it would be appropriate to provide for an effective date of March 1, given that firms will have more than a month's notice of FEA's exemption proposals. Therefore, unless disapproved by either House of Congress under section 551 of the EPCA, this exemption will be effective March 1, 1977.

FINDINGS AND VIEWS

In addition to this amendment exempting motor gasoline from the Mandatory Petroleum Price Regulations and the concurrent amendment exempting motor gasoline from the Mandatory Petroleum Allocation Regulations, FEA has prepared its findings and views supporting these amendments as required by section 12 of the EPAA, based upon its consideration of the comments of those persons who participated in the rulemaking and other information available to FEA. These findings and views are set forth in a single document dated January 14, 1977 and entitled "Findings and Views Concerning the Exemption of Motor Gasoline from the Mandatory Petroleum Allocation and Price Regulations" (the "Findings and Views"). The findings and views set forth therein may be summarized, in part, as follows:

(1) Motor gasoline is no longer in short supply; anticipated supplies of motor gasoline will be sufficient to meet the demand over the near term.

(2) Exemption of motor gasoline from the Mandatory Petroleum Allocation and Price Regulations will not have an adverse impact on the supply of any other refined product. With projected expansions, domestic refining capacity is projected to be more than adequate to meet demand.

(3) Competition and market forces are adequate to protect consumers following exemption of motor gasoline from regulation.

(4) Exemption of motor gasoline from regulation will not result in inequitable prices for any class of end-user. FEA does not expect that exemption of motor gasoline from price controls would lead to any price increases over and above those that would be experienced under continued regulation.

Adequate refinery capacity to meet all refined product requirements should guarantee continued competition in the refining segment of the industry. The large number of independent and small refiners now competing successfully in the motor gasoline market indicates that sufficient competition exists to protect consumers.

(5) Exemption of motor gasoline from the price and allocation regulations is consistent with the attainment of the objectives set forth in section 4(b)(1) of the EPAA.

Since an adequate supply is anticipated, continued allocation and pricing controls over motor gasoline are not necessary to protect the public health, safety and welfare, and the national defense (Section 4(b)(1)(A)); the maintenance of all public services (section 4(b)(1)(B)); the maintenance of agricultural operations (section 4(b)(1)(C)); or the maintenance of exploration for and production or extraction of fuels and minerals (section 4(b)(1)(G)).

Adequate supply and the positive effects of competition should insure that the exemption is consistent with: the equitable distribution of crude oil, residual fuel oil and refined petroleum products at equitable prices (section 4(b)(1)(F)); preservation of an economically sound and competitive petroleum industry (section 4(b)(1)(D)); economic efficiency (section 4(b)(1)(H)); and minimization of economic distortions, inflexibility, and interference with market mechanisms (section 4(b)(1)(I)).

The exemption should have no adverse effect on the allocation of suitable types of crude oil to U.S. refineries (section 4(b)(1)(E)).

In connection with FEA's projection that no price increase will occur solely as a result of the exemption from the price regulations, it should be noted that FEA expects that upon decontrol the additional costs of refining unleaded gasoline over the costs of producing leaded gasoline will be more accurately reflected in the prices of unleaded gasoline. FEA has estimated that a price differential of up to two cents per gallon could result. However, even if price controls were to continue, FEA has on this same date issued a regulatory change which permits refiners to reflect the difference in refining costs between these two grades of motor gasoline in the prices charged for these products.

The Findings and Views also state FEA's views concerning the potential economic impacts of exempting motor gasoline from the Mandatory Petroleum Allocation and Price Regulations. Because no supply, demand or price impacts are anticipated as a result of the exemption, it is not expected that there will be any significant state or regional impacts resulting from the proposed exemption. In particular, no undue adverse impact is expected on any governmental units. In addition, FEA anticipates no adverse economic impacts on the availability of consumer goods or services, the Gross National Product, small business or the supply and availability of energy resources as fuel or feedstock for industry. FEA expects that the exemption will not adversely affect the competitive viability of independent refiners and marketers. The exemption is likewise expected not to have an adverse effect on employment or consumer prices. FEA's assessment of the effects of the exemption on the rate of unemployment in the U.S., on the Consumer Price Index and on the implicit price deflator for the Gross National Product are set forth in detail in the Findings and Views.

POST EXEMPTION MONITORING OF GASOLINE PRICES

FEA intends to issue shortly for comment a method of monitoring prices of motor gasoline to assure the continued reasonableness of price levels following the effective date of the exemption of motor gasoline from price and allocation controls. FEA will request written comments and hold public hearings with respect to the specific features of the price monitoring system.

The monitoring system which FEA intends to adopt provides for the monthly measurement of average actual gasoline prices, calculating prices on both a national and regional basis through the end of the 1977 summer driving season. Actual prices would be compared with price indices representing the average price levels FEA believes would have prevailed had gasoline continued under price controls, with sufficient flexibility to allow for statistical error, inherent deficiencies in the operation of the price index, seasonal price adjustments and short term market aberrations. The proposed price monitoring system will provide for remedial action in the event the actual average prices exceed by two cents the appropriate price index.

Section 12(f) of the EPAA provides that following the exemption of any product from regulation, FEA shall have the authority at any time to reimpose price controls if necessary to attain the objectives of the EPAA. For this reason, FEA is adopting amendments which exempt gasoline from the price regulations but which do not delete those regulations from the Code of Federal Regulations. They are in effect converted to standby status, so that, in the event of shortages or other occurrences which might require reimposition of controls, they may, with appropriate modifications, be quickly put into effect.

(Emergency Petroleum Allocation Act of 1973, Pub. L. 93-159, as amended, Pub. L. 93-511, Pub. L. 94-99, Pub. L. 94-133, Pub. L. 94-163, and Pub. L. 94-385; Federal Energy Administration Act of 1974, Pub. L. 93-275, as amended, Pub. L. 94-385; Energy Policy and Conservation Act, Pub. L. 94-163, as amended, Pub. L. 94-385; E.O. 11790, 39 FR 23185; E.O. 11933, 41 FR 36641)

In consideration of the foregoing, Parts 210 and 212 of Chapter II, Title 10 of the Code of Federal Regulations, are amended as set forth below, effective March 1, 1977, unless this amendment is disapproved by either House of Congress pursuant to the review procedures set forth in section 551 of the EPCA or withdrawn by the President prior to Congressional approval or disapproval during the 15-day period provided for Congressional review in section 551 of the EPCA.

Issued in Washington, D.C., January 19, 1977.

DAVID G. WILSON,
Acting General Counsel.

1. Section 210.35 is amended by adding subparagraph (2) to paragraph (h) to read as follows:

§ 210.35 Exempted products.

* * * * *

(h) * * *

(2) Gasoline as defined in § 212.31 of this chapter is exempt from the provisions of Part 212 of this chapter.

2. Section 212.31 is amended in the definition of "covered products" to read as follows:

§ 212.31 Definitions.

* * * * *

"Covered products" means aviation fuel (kerosene-type), aviation gasoline, butane, crude oil, natural gas liquids, natural gasoline, and propane. A blend of two or more particular covered products is considered to be that particular covered product constituting the major proportion of the blend.

* * * * *

3. Subpart C of Part 212 is amended by adding a new § 212.58 as follows:

§ 212.58 Gasoline.

The prices charged for gasoline are exempt from the provisions of this part.

[FR Doc.77-2286 Filed 1-19-77;2:39 pm]

PART 211—MANDATORY PETROLEUM ALLOCATION REGULATIONS

Emergency Amendment on Use of Naphtha for Synthetic Natural Gas Plant Feedstock Use

The Federal Energy Administration ("FEA") hereby adopts on an emergency basis an amendment, effective immediately, to § 211.29 of the Mandatory Petroleum Allocation Regulations (10 CFR Part 211). The purpose of this amendment is to make explicit FEA's intent to limit the volumes of naphtha that can be used for synthetic natural gas (SNG) plant feedstock use.

FEA's allocation program regulates the use of petroleum feedstocks for SNG manufacture. 10 CFR 211.29 sets forth the basic rule that

* * * a firm which purchases crude oil and allocated products for use as feedstock in a synthetic natural gas plant which has requirements that exceed its base period volume or which has no base period volume may seek an adjustment to its base period volume or establishment of a base period volume only upon application to the FEA National Office * * *

10 CFR 211.29 also states the criteria to be considered by FEA in processing an application for assignment or adjustment, and these criteria are further discussed in Special Rule No. 1 to Subpart A, Part 211. In addition to 10 CFR 211.29 and the Special Rule, FEA has issued a Statement of Policy setting forth the FEA's general policy regarding the use of liquid petroleum feedstocks for the production of SNG.

Prior to the exemption of naphtha from the Mandatory Petroleum Allocation Regulations for all uses except for SNG feedstock use, an allocation level of one hundred percent of base period use was provided for naphtha for SNG plant feedstock use. Under FEA's mandatory allocation regulations before the exemption of naphtha, allocation levels for naphtha were not subject to an allocation fraction. Because of the peculiar role of naphtha in internal refinery operations, particularly the use of naphthas for gasoline blending, the calculation of an allocation fraction for that product was impracticable, and the provisions of § 211.10(g) governing surplus product were not applied to naphtha. Thus, access to volumes and sources of naphtha for purchasers of naphtha for SNG feedstock use was only expressly authorized as permitted under FEA orders and regulations, other than § 211.10(g), and an effective use limitation of one hundred percent of base period use therefore applied. The exemption of naphtha from the allocation program, except for naphtha allocated under §§ 211.29 and 211.183(b)(2), did not change FEA's view that an implicit use limitation existed for naphtha.

Nevertheless, since the use limitation for naphtha is not explicitly stated in FEA regulations as it is for propane and butane for use as SNG feedstocks, and since there are no present regulations governing the distribution of naphtha which is excess to a refiner's needs, certain questions with respect to the existence of the limitation have been brought to FEA's attention. FEA is therefore adopting this amendment to provide explicitly that SNG manufacturers are limited to volumes of naphtha for SNG feedstock use equivalent to one hundred percent of base period use. In those instances where FEA has not yet established a base period use of naphtha, the purchaser is limited to use of those volumes specifically permitted by FEA orders. This clarification of FEA's intentions is consistent with the manner in which FEA has historically administered § 211.29 with respect to naphtha allocations.

As indicated at the time naphtha was exempted from the allocation regulations (except for those sections pertaining to SNG feedstock), FEA is preparing a programmatic environmental impact statement (EIS) on its regulations affecting SNG. Until the completion of the EIS, FEA intends to maintain the operation of its SNG program as it has previously been in effect. After a comprehensive evaluation of the EIS, FEA will determine whether the continued allocation of naphtha for SNG plant feedstock use would be appropriate.

FEA believes that this amendment must be issued on an emergency basis to ensure continued compliance with FEA's SNG allocation program. Specifically, it is essential that the existence of this use limitation be made explicit to prevent an unauthorized increase in consumption of naphtha for SNG manufacture, which might otherwise occur subsequent to the exemption from the Mandatory Petroleum Allocation Regulations of naphtha for all uses except SNG plant feedstock, and which would be in violation of the regulation and underlying policies set forth in § 211.29, Special Rule No. 1 and the Statement of Policy. If this amendment were to be adopted after notice and a hearing, the use limitation on naphtha would not have been made explicit until the current heating season was almost over. FEA therefore finds that strict compliance with the notice requirements of section 7(i)(1)(B) of the Federal Energy Administration Act of 1974, as amended ("FEAA"), Pub. L. 93-275, Pub. L. 94-385, will cause serious harm and injury to the public health, safety and welfare, and the notice requirements of that section are hereby waived.

As required by section 7(c)(2) of the FEAA, a copy of this emergency amendment was submitted to the Administrator of the Environmental Protection Agency for his comments concerning the impact of this proposal on the quality of the environment. The Administrator had no comments.

In accordance with Executive Order 11821 and OMB Circular A-107, FEA is considering the inflationary impact of this proposal.

Because this amendment is being issued on an emergency basis, an opportunity for oral presentation of views is not possible prior to its implementation. A public hearing, however, will be held beginning at 9:30 a.m., on February 24, 1977, in Room 2105, 2000 M Street NW., Washington, D.C., to receive comments from interested persons. Any person who has an interest in the subject of the hearing, or who is a representative of a group or class of persons which has an interest in the subject of the hearing, may make a written request for an opportunity to make an oral presentation. Such a request should be directed to Executive Communications, FEA, 1200 Pennsylvania Avenue, NW., Washington, D.C. 20461, and must be received before 4:30 p.m., e.s.t., February 2, 1977. Such a request may be hand delivered to Room 3309, Federal Building, 1200 Pennsylvania Avenue NW., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., e.s.t., Monday through Friday, except Federal holidays. The person making the request should be prepared to describe the interest concerned; if appropriate, to state why he or she is a proper representative of a group or class of persons which has such an interest; and to give a concise summary of the proposed oral presentation and a phone number where he or she may be contacted through February 4, 1977. Each person selected to be heard will be so notified by the FEA before 5:30 p.m., e.s.t., February 4, 1977, and must submit 50 copies of his or her statement to Office of Allocation Regulation Development, FEA, Room 2214, 2000 M Street NW., Washington, D.C. 20461, before 9:00 a.m., e.s.t., February 23, 1977.

The FEA reserves the right to select the persons to be heard at the hearing, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearing. Each presentation may be limited, based on the number of persons requesting to be heard.

An FEA official will be designated to preside at the hearing. It will not be a judicial or evidentiary-type hearing. Questions may be asked only by those conducting the hearing, and there will be no cross-examination of persons presenting statements. Any decision made by the FEA with respect to the subject matter of the hearing will be based on all information available to the FEA. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if he or she so desires, to make a rebuttal statement. The rebuttal statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any interested person may submit questions, to be asked of any person making a statement at the hearing, to Executive Communications, FEA, before 4:30 p.m., e.s.t., February 22, 1977. Any person who makes an oral statement and who wishes to ask a question at the hearing may submit the question, in writing, to the presiding officer. The FEA or the presiding officer, if the question is submitted at the hearing, will determine whether the question is relevant, and whether time limitations permit it to be presented for answers.

Any further procedural rules needed for the proper conduct of the hearing will be announced by the presiding officer.

A transcript of the hearing will be made and the entire record of the hearing, including the transcript, will be retained by the FEA and made available for inspection at the FEA Freedom of Information Office, Room 2107, Federal Building, 1200 Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. Anyone may buy a copy of the transcript from the reporter.

Interested persons are invited to submit data, views, or arguments with respect to this emergency amendment to Executive Communications, Federal Energy Administration, Box KE, Washington, D.C. 20461.

Comments should be identified on the outside envelope and on documents submitted to Executive Communications, FEA, with the designation "Use Limitation—SNG Feedstocks." Fifteen copies should be submitted. All comments received by February 22, 1977, and all relevant information, will be considered by the Federal Energy Administration.

Any information or data considered by the person furnishing it to be confidential must be so identified and submitted in writing, in accordance with the procedures stated in 10 CFR 205.9(f). The FEA reserves the right to determine the confidential status of the information or data and to treat it according to its determination.

(Emergency Petroleum Allocation Act of 1973, P.L. 93-159, as amended P.L. 93-511, P.L. 94-99, P.L. 94-133, P.L. 94-163, P.L. 94-385; Federal Energy Administration Act of 1974, P.L. 93-332, P.L. 94-385; E.O. 11790 (39 FR 23185).)

In consideration of the foregoing, Part 211 of Chapter II, Title 10 of the Code of Federal Regulations, is amended as set forth below, effective immediately.

Issued in Washington, D.C., January 19, 1977.

DAVID G. WILSON,
Acting General Counsel.

1. Section 211.29 is revised by redesignating paragraphs (a), (b), (c) and (d) thereof as subparagraphs (1), (2), (3) and (4), respectively, by designating the introductory paragraph thereof as paragraph (a), and by adding a new paragraph (b), to read as follows:

§ 211.29 Synthetic natural gas production.

* * * * *

(b) Unless directed by FEA upon application pursuant to Subpart G of Part 205 of this chapter, no supplier shall supply and no wholesale purchaser or end-user shall accept or use naphtha in excess of one hundred percent of base period use for synthetic natural gas plant feedstock use.

[FR Doc.77-2285 Filed 1-19-77;2:30 pm]

PART 211—MANDATORY PETROLEUM ALLOCATION REGULATIONS

Emergency Amendment Authorizing Waiver of Propane and Butane Peak Shaving Use Limitation

The Federal Energy Administration ("FEA") hereby adopts on an emergency basis amendments to the Mandatory Petroleum Allocation Regulations, 10 CFR Part 211, with respect to the volumetric limitation imposed on the use of propane and butane for peak shaving. The amendments adopted today are effective immediately.

In light of the severely cold winter weather that many parts of the nation are experiencing, gas utilities are faced with extremely large demand for natural gas to meet the requirements of their highest priority customers. Because of this increased demand for natural gas and also because of equipment breakdowns resulting from the cold weather, the FEA has received a large number of requests from gas utilities for permission to use propane for peak shaving in excess of the use limitations imposed by FEA Regulations. These applications must currently be processed as applications for exception from the regulations. Since evaluation of an application for exception is frequently a somewhat lengthy process, there may well be instances in which FEA could not provide relief promptly, with the result that some high priority customers such as hospitals and schools would have to be curtailed pending final FEA action on a meritorious application. This emergency amendment is being issued to provide FEA with the authority to waive the peak shaving use limitations set forth in §§ 211.83(c)(2)(v) and 211.93 (c)(2)(iv) for propane and butane respectively, without requiring a utility to obtain an exception to the regulations.

In September 1975, FEA issued an amendment to § 211.10(g)(8) to allow imported non-Canadian propane and butane to be employed for certain uses (other than gas utility or synthetic natural gas feedstock use) without regard to use limitations contained in that section (40 FR 40821, September 4, 1975). At that time, FEA retained in § 211.10 (g)(8) the limitation on the use of propane or butane for gas utility or synthetic natural gas feedstock use to one hundred percent (100) of base period use. In the preamble to that amendment, FEA stated:

[T]here are certain gas utilities which by reason of the very high level of residential use of natural gas and the inability of their customers to convert to use of substitute fuels in the near term should be permitted to acquire and use supplies of non-Canadian propane and butane in excess of base period use. For this reason, FEA has retained authority in §§ 211.10(g)(8), 211.86 and 211.96 to permit relaxation of the use limitation and inventory accumulation restrictions otherwise applicable to gas utilities. Gas utilities may petition for relief pursuant to these sections and Subpart G of Part 205 of the FEA procedural regulations. Such a petition will not be treated as an exception request and should be submitted to the Assistant Administrator for Regulatory Programs. * * * (40 FR 40821, September 4, 1975).

Thus, FEA intended to retain its flexibility to respond to applications for permission to exceed the use limitation by providing that the volumetric limitation could be waived if "directed by FEA upon application pursuant to Subpart G of Part 205 of this chapter." FEA has now determined, however, that by not including the same procedure in the use limitations for peak shaving contained in §§ 211.83(c)(2)(v) and 211.93(c)(2)(iv) of the Mandatory Petroleum Allocation Regulations, FEA may have limited its authority under the regulations to allow a gas utility to exceed its base period use, except through the exceptions process.

The volumetric portion of the use limitation for peak shaving in 10 CFR § 211.83(c)(v) provides:

The use of propane for peak shaving by gas utilities during any consecutive twelve month period beginning after January 1, 1974, is limited to the volume of propane equal to one hundred (100) percent of that volume which a gas utility contracted for or purchased for delivery during the period April 1, 1972 through March 31, 1973, regardless of whether that volume was used during the period.

The same use limitation is provided in § 211.93(c)(2)(iv) for butane.

Therefore, under current regulations, FEA may waive the use limitation of § 211.10(g)(8) but may permit gas utilities to exceed their base period use of propane or butane for peak shaving only by the increment which would bring the total amount to that for which they contracted or which they purchased for delivery in the base period. For some utilities this relief would be inadequate. FEA has therefore determined that the same waiver procedure should be available in §§ 211.83(c)(2)(v) and 211.93(c)(2)(iv) as appears in § 211.10(g)(8). By including the procedure in each of the cited sections, FEA is providing a means of expeditiously responding to applications for waiver with an adequate remedy in cases where relief is warranted.

In connection with the issuance of these amendments, FEA is soliciting comments on the criteria which should apply to the issuance of waivers of the volumetric limitations of propane and butane for peak shaving by gas utilities and on whether FEA should issue either regulations or guidelines in this regard. Prior to the development of regulations or guidelines, FEA intends to examine all the relevant circumstances surrounding each application before granting a waiver.

These amendments are being issued on an emergency basis so that FEA may respond expeditiously to requests from gas utilities for additional propane or butane to help meet the demands of their high priority customers during the current heating season, without requiring the utilities to go through the exceptions process. If these amendments were not adopted until after notice and a hearing, they would not be effective until after the coldest portion of the heating season, long after most of the requests for additional peak shaving material should have been acted upon. FEA therefore finds that strict compliance with the notice requirements of section 7(i)(1)(B) of the Federal Energy Administration Act of 1974, as amended, ("FEAA"), Pub. L. 93-275, Pub. L. 94-385, will cause serious harm and injury to the public health, safety and welfare, and the notice requirements of that section are hereby waived.

Section 7(c)(1) of the FEAA provides that FEA shall, before promulgating proposed regulations affecting the quality of the environment, provide a period of not less than five working days during which the Administrator of the Environmental Protection Agency ("EPA") may provide written comments concerning the impact of such regulations on the quality of the environment. Such comments are required to be published concurrently with or as part of the notice of proposed rulemaking.

Under section 7(c)(2) of the FEAA, the prior review required by section 7(c)(1) may be waived for a period of 14 days if there is an emergency situation which requires taking action at a date earlier than would permit the EPA the five day opportunity for prior comment required under section 7(c)(1). Notice of any such waiver must be given to the EPA and filed with the FEDERAL REGISTER with the notice of proposed or final FEA action and must include an explanation of the reasons for such waiver together with supporting data and factual background information.

Pursuant to section 7(c)(2) of the FEAA, FEA hereby waives the requirements of section 7(c)(1) of the FEAA concerning prior review by EPA of the environmental impact of this proposed rulemaking. This waiver is based on an emergency situation which, as explained above, mandates that FEA be able immediately to determine whether to permit gas utilities to use propane or butane for peak shaving in excess of their base period use to serve high priority customers who might otherwise be curtailed. A copy of this emergency amendment has been sent concurrent with its issuance to the Administrator for his comments.

In accordance with Executive Order 11821 and OMB Circular A-107, FEA is considering the inflationary impact of this proposal.

Because this amendment is being issued on an emergency basis, an opportunity for oral presentation of views is not possible prior to its implementation. A public hearing, however, will be held beginning at 9:30 a.m., on February 16, 1977, in Room 2105, 2000 M Street NW., Washington, D.C., to receive comments from interested persons. Any person who has an interest in the subject of the hearing, or who is a representative of a group or class of persons which has an interest in the subject of the hearing, may make a written request for an opportunity to make an oral presentation. Such a request should be directed to Executive Communications, FEA, 1200 Pennsylvania Avenue NW., Washington, D.C. 20461, and must be received before 4:30 p.m., e.s.t., February 3, 1977. Such a request may be hand delivered to Room 3309, Federal Building, 1200 Pennsylvania Avenue, NW., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., e.s.t., Monday through Friday, except Federal holidays. The person making the request should be prepared to describe the interest concerned; if appropriate, to state why he or she is a proper representative of a group or class of persons which has such an interest; and to give a concise summary of the proposed oral presentation and a phone number where he or she may be contacted through February 4, 1977. Each person selected to be heard will be so notified by the FEA before 5:30 p.m., e.s.t., February 4, 1977, and must submit 50 copies of his or her statement to Office of Allocation Regulation Development, FEA, Room 2214, 2000 M Street NW., Washington, D.C. 20461, before 9:00 a.m., e.s.t., February 15, 1977.

The FEA reserves the right to select the persons to be heard at the hearing, to schedule their respective presentations, and to establish the procedures governing the conduct of the hearing. Each presentation may be limited, based on the number of persons requesting to be heard.

An FEA official will be designated to preside at the hearing. It will not be a judicial or evidentiary-type hearing. Questions may be asked only by those conducting the hearing, and there will be no cross-examination of persons presenting statements. Any decision made by the FEA with respect to the subject matter of the hearing will be based on all information available to the FEA. At the conclusion of all initial oral statements, each person who has made an oral statement will be given the opportunity, if he or she so desires, to make a rebuttal statement. The rebuttal statements will be given in the order in which the initial statements were made and will be subject to time limitations.

Any interested person may submit questions, to be asked of any person making a statement at the hearing, to Executive Communications, FEA, before 4:30 p.m., e.s.t., February 11, 1977. Any person who makes an oral statement and who wishes to ask a question at the hearing may submit the question, in writing, to the presiding officer. The FEA or the presiding officer, if the question is submitted at the hearing, will determine whether the question is relevant, and whether time limitations permit it to be presented for answers.

Any further procedural rules needed for the proper conduct of the hearing will be announced by the presiding officer.

A transcript of the hearing will be made and the entire record of the hearing, including the transcript, will be retained by the FEA and made available for inspection at the FEA Freedom of Information Office, Room 2107, Federal Building, 1200 Pennsylvania Avenue, N.W., Washington, D.C., between the hours of 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. Anyone may buy a copy of the transcript from the reporter.

Interested persons are invited to submit data, views, or arguments with respect to this emergency amendment to Executive Communications, Federal Energy Administration, Box KH, Washington, D.C. 20461.

Comments should be identified on the outside envelope and on documents submitted to Executive Communications, FEA, with the designation "Propane and Butane Peak Shaving Limitation." Fifteen copies should be submitted. All comments received by February 11, 1977, and all relevant information, will be considered by the Federal Energy Administration.

Any information or data considered by the person furnishing it to be confidential must be so identified and submitted in writing, in accordance with the procedures stated in 10 CFR 205.9(f). The FEA reserves the right to determine the confidential status of the information or data and to treat it according to its determination.

(Emergency Petroleum Allocation Act of 1973, Pub. L. 93-159, as amended Pub. L. 93-511, Pub. L. 94-99, Pub. L. 94-133, Pub. L. 94-163, Pub. L. 94-385; Federal Energy Administration Act of 1974, Pub. L. 93-275, as amended, Pub. L. 94-332, Pub. L. 94-385; E.O. 11790 (39 FR 23185)).

In consideration of the foregoing, Part 211 of Chapter II, Title 10 of the Code of Federal Regulations, is amended as set forth below, effective immediately.

Issued in Washington, D.C., January 18, 1977.

DAVID G. WILSON,
Acting General Counsel.

1. Section 211.83 is amended by revising paragraph (c)(2)(v) to read as follows:

§ 211.83 Allocation levels.

* * * * *

(c) *Allocation levels subject to an allocation fraction.* * * *

(2) * * *

(v) *Peak shaving for gas utilities.* Unless directed by FEA upon application pursuant to Subpart G of Part 205 of this chapter, the use of propane for peak shaving by gas utilities during any consecutive twelve month period beginning after January 1, 1974, is limited to the volume of propane equal to one hundred (100) percent of that volume which a gas utility contracted for or purchased for delivery during the period April 1, 1972 through March 31, 1973, regardless of whether that volume was used during the period. Propane shall not be used for peak shaving as long as the gas utility continues service during such peak shaving usage to interruptible industrial customers (other than for process fuel, plant protection fuel, or raw material) or to any nonresidential customer who can use a fuel other than natural gas, propane or butane; and * * *

2. Section 211.93 is amended by revising paragraph (c)(2)(iv) to read as follows:

§ 211.93 Allocation levels.

* * * * *

(c) *Allocation levels subject to an allocation fraction.* * * *

(2) * * *

(iv) *Peak shaving for gas utilities.* Unless directed by FEA upon application pursuant to Subpart G of Part 205 of this chapter, the use of butane for peak shaving by gas utilities during any consecutive twelve month period beginning after January 1, 1974 is limited to the volume of butane equal to one hundred (100) percent of that volume which a gas utility contracted for or purchased for delivery during the period April 1, 1972 through March 31, 1973, regardless of whether that volume was used during the period. Butane shall not be used for peak shaving as long as the gas utility continues service during such peak shaving usage to interruptible industrial customers (other than for process fuel, plant protection fuel, or raw material) or to any nonresidential customer who can use a fuel other than natural gas propane or butane; and

* * * * *

[FR Doc.77-2243 Filed 1-19-77;12:26 pm]

Title 17—Commodity and Securities Exchanges

CHAPTER II—SECURITIES AND EXCHANGE COMMISSION

[Release Nos. 34-13156, 35-19853, IC-9604, AS-206]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

Adoption of Amendments of Certain Forms and Related Rules

The Securities and Exchange Commission today announced that it has adopted amendments to certain of its rules, schedules and reporting forms under the Securities Exchange Act of 1934 (the "Exchange Act") (15 U.S.C. 78a et seq., as amended by Pub. L. No. 94-29 (June 4, 1975)) which will (1) provide for more timely filing of reports on Form 8-K (17 CFR 249.308) by amending General Instruction B to Form 8-K and Rules 13a-11 (17 CFR 240.13a-11) and 15d-11 (17 CFR 240.15d-11); (2) decrease the number of items of information required to be included in reports on Form 8-K (17 CFR 249.308) by approximately 62 percent by transferring certain items to the Form 10-Q (17 CFR 249.308a); (3) revise two of the items retained in the Form 8-K and four of those transferred to the Form 10-Q; (4) provide for different filing requirements as to Parts I and II of the Form 10-Q by revising Rules 13a-13 (17 CFR 240.13a-13) and 15d-13 (17 CFR 240.15d-13); (5) add three new items to Form 10-K (17 CFR 249.310) and revise one item of the Form 10-K to require disclosure of items of information previously required in reports on Form 8-K filed during the fourth quarter of the fiscal year for which no report on Form 10-Q is required; and (6) revise Item 5 of Schedule 14A to Regulation 14 under the Exchange Act (17 CFR 240.14a-101) to conform to the amendment to Item 1 of Form 8-K. Forms 8-K, 10-Q and 10-K are the general forms for, respectively, current, quarterly and annual reports filed pursuant to Section 13 or 15(d) of the Exchange Act, and Regulation 14 specifies the information required to be set forth in proxy and information statements filed pursuant to Section 14 of that Act. Schedule 14A is also applicable to the solicitation of proxies under the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq., as amended by Pub. L. No. 94-29 (June 4, 1975)) and the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq., as amended by Pub. L. 94-29 (June 4, 1975)).

This release contains a general discussion of the purpose and effect of the amendments and of the consideration given to the comments received on the proposed amendments. Comments of a general nature are discussed in the General Statement, and specific comments are discussed within the brief synopses of the principal amendments. Attention is directed to the text of the amendments for a more complete understanding.

GENERAL STATEMENT

Notice of the proposed amendments to Forms 8-K, 10-Q and 10-K and to Schedule 14A was published on July 12, 1976 in Securities Exchange Act Release No. 12619 [41 FR 29784, July 19, 1976]. Comments on the proposed amendments were received from 60 interested parties, and changes have been made to reflect a number of the suggestions made by the commentators.

In Exchange Act Release No. 12619, the Commission stated that the proposals therein represented a step forward in the efforts to further simplify and rationalize the corporate disclosure system under the federal securities laws and to provide more meaningful information to investors. Although a few commentators suggested that these goals would be more fully achieved through the elimination of the Form 8-K and the transfer of all of the items of the Form 8-K to the Form 10-Q,[1] the Commission believes that registrants should describe in reports on Form 8-K certain matters about which investors might not otherwise receive adequate and reasonably current infor-

[1] These commentators expressed support for the recommendations of the so-called Wheat Report that the Form 8-K be substantially eliminated and that most of the 8-K items be included in a quarterly report. See "Report and Recommendations to the Securities and Exchange Commission from the Disclosure Policy Study, Disclosure to Investors, A Reappraisal of Administrative Policies under the 1933 and 1934 Acts" (March 1969) at pp. 356-364.

mation. Accordingly, the Form 8-K has been retained to serve as the report for disclosure of changes in control of the registrant (Item 1), acquisition and disposition of significant amounts of assets (Item 2), the appointment of a receiver of the registrant in a bankruptcy or similar proceeding (Item 3), and changes in a registrant's certifying accountant (Item 4). The voluntary disclosure item has been retained in the Form 8-K as Item 5 because the Commission believes that registrants may wish to describe certain material events in the monthly report. In order to provide for more current reporting of events of major significance to investors, the Form 8-K and Rules 13a-11 and 15d-11 have been amended to require registrants to file reports on Form 8-K within fifteen days after the occurrence of a reportable event.

The Commission believes that the amendments which are adopted today should reduce the number of reports on Form 8-K required to be filed and, therefore, should result in a significant savings of costs and time to registrants and the Commission. Registrants are reminded, however, of the obligations of publicly held companies to make full and prompt announcements of material facts regarding the company's financial condition, notwithstanding their compliance with the reporting requirements of the Exchange Act. The Commission believes that these amendments do not in any way affect the responsibility of management to make such announcements. The failure of companies to make prompt and accurate disclosure of both favorable and unfavorable information to security holders and the investing public may violate the Exchange Act and, in the case of an issuer making a continuous offering of its shares, may also violate the Securities Act of 1933 if the prospectus is not appropriately updated. Therefore, corporate managements are urged once again to review their policies with respect to corporate disclosure and endeavor to set up procedures which will insure that prompt disclosure be made of all material corporate developments.[3]

During the past several months, the Commission has accelerated further its program to integrate, streamline and update the corporate disclosure system it administers under the Securities Act and the Exchange Act. The adoption of these amendments is a significant step forward in these efforts. The Commission has also adopted a revised Form S-8 in Securities Act Release No. 5767 (November 22, 1976 (41 FR 52662) and has adopted amendments to Forms S-7 and S-16 which make these forms available to more registrants in Securities Act Release No. 5791 (December 20, 1976 (41 FR 56301). Public comments have been invited on the following additional proposals: (1) The adoption of a new registration form to permit use of an abbreviated prospectus with certain business combination transactions in Securities Act Release No. 5744 (October 4, 1976) (41 FR 43876); (2) the amendment of the rules relating to tender offers, in Securities Act Release No. 5731 (August 6, 1976 (41 FR 33004); (3) the amendment of Form S-16 to broaden the availability of the form to a limited category of large companies for the registration of certain primary offerings of securities in Securities Act Release No. 5792 (December 20, 1976) (41 FR 56331). The Commission announced it is reviewing the procedures available to small issuers to raise capital, and proposals may be published soon soliciting comments on simplifying these procedures.

[3] *See* Securities Act Release No. 5092 (October 15, 1970), 35 FR 16733 (October 29, 1970).

I. Amendments Relating to the Time for Filing Reports on Form 8-K

Securities Exchange Act Rules 13a-11 and 15d-11 have been amended to delete the specific requirement relating to the time for filing reports on Form 8-K and to refer instead to the filing requirements set forth in the form itself. General Instruction B to the form has been amended to require that reports on Form 8-K be filed within fifteen days after the occurrence of an event specified in the form or within ten days after the end of the month during which occurred an event reported pursuant to Item 5, the voluntary disclosure item. Registrants are encouraged, however, to file all reports on Form 8-K as soon as practicable regardless of these filing requirements. Registrants may continue to report more than one event in a report on Form 8-K provided there is compliance with the requirements of the form relating to the time for filing the report.

The Commission has considered the objections to the proposed filing requirement of ten days after the occurrence of the reportable event which were raised by many of the commentators but believes that any inconvenience to registrants will be more than offset by the benefits to investors from more timely reporting. In addition, the Commission believes that upon the occurrence of any one of the four events requiring current disclosure registrants should have knowledge of the event and access to most of the information required to be set forth in response to the applicable item. In order to alleviate any difficulties which registrants might encounter as a result of weekends, holidays or the mail service, the Commission has adopted the filing date of fifteen days after the occurrence of the reportable event rather than the proposed ten days after the occurrence of the event.

In light of the proposed earlier filing date for reports on Form 8-K, the Commission has also amended General Instruction B to provide registrants with an additional 30 days after the report is filed in which to file the auditor's letter required by Item 6(b) when the registrant reports a change in its certifying accountant.

The Commission has not adopted, however, the proposal to permit registrants to file within 60 days after the report is filed the financial statements required to be included in reports pursuant to Item 2 of Form 8-K. The Commission believes that the proposed revision is unnecessary because of the provisions of Rule 12b-25 under the Exchange Act (17 CFR 240.12b-25) relating to requests for extension of time for furnishing information. Rule 12b-25 provides for an automatic 30-day extension of time unless the Commission enters an order denying the application or notifies the registrant that the application has been denied within 15 days after the application on Form 12b-25 (17 CFR 249.322) is filed. An additional 30 days in which to file the required information may be available upon separate application.

II. Amendments Relating to the Elimination of Items From Form 8-K

The amendments authorized today eliminate the following information items from Form 8-K: Item 3 (Legal Proceedings), Item 4 (Changes in Securities), Item 5 (Changes in Security for Registered Securities), Item 6 (Defaults Upon Senior Securities), Item 7 (Increase in Amount of Securities Outstanding), Item 8 (Decrease in Amount of Securities Outstanding), Item 9 (Options to Purchase Securities), Item 10 (Extraordinary Item Charges and Credits, other Material Charges and Credits to Income of an Unusual Nature, Restatements of Capital Share Account), and Item 11 (Submission of Matters to a Vote of Security Holders). To the extent that any of the events previously reported pursuant to these former 8-K items, such as material legal proceedings, constitutes an event of material importance to security holders in the opinion of the registrant, it may be reported under the new Item 5 of the Form 8-K, the voluntary disclosure item. The items remaining in Form 8-K have been renumbered.

A. Elimination of Item 6 (Defaults Upon Senior Securities)

In Securities Exchange Act Release No. 12619, the Commission proposed to retain in revised form previously numbered Form 8-K Items 6 and 10. It was proposed that Item 6 be revised to require disclosure of non-compliance with the terms for payment of principal and interest on senior securities. Upon reconsideration of the proposal and after review of the comments, the Commission has transferred the unrevised former 8-K Item 6 to the Form 10-Q. The proposed revision would not have fully achieved the objective of requiring early disclosure of significant liquidity difficulties and the quarterly report is the more appropriate report for disclosure of defaults upon senior securities.

B. Elimination of Item 10 of the Form 8-K Relating to Material Charges and Credits

Former Item 10 of Form 8-K required disclosure of material charges and credits to income of an unusual or infrequent nature and direct charges and credits to retained earnings. The objectives of the item were to require appropriate and timely reporting of events or transactions which had a material impact upon the registrant's financial position or results of operations. The Commission continues to believe that disclosure of such information is necessary. However, it believes that the objective is achieved without the necessity for specific requirements in Forms 8-K, 10-Q and 10-K. The Commission has, therefore, determined to eliminate Item 10 and not transfer the item to the Form 10-Q.

The Commission believes that Item 10 of Form 8-K is now unnecessary because the information previously required by that item has become a part of other regulations subsequently adopted by the Commission and/or revisions to generally accepted accounting principles. The Commission believes that Accounting Principles Board Opinions No. 28 (Interim Financial Reporting) and No. 30 (Reporting the Results of Operations) and Accounting Series Releases No. 159 (Textual Analysis of Summary of Earnings or Operations) (39 FR 31896) and No. 177 (Interim Financial Reporting, including Instruction 5 to Form 10-Q, Management's Analysis of Quarterly Income) (40 FR 46107), provide an appropriate framework or requirements for the disclosure of material charges and credits.

Accounting Principles Board Opinion No. 30 requires that disclosure of the nature and financial effects of unusual or infrequently occurring items on the fact of the income statement. In addition, the management discussion and analysis of the statement of operations required by ASR 159 requires a discussion of material facts, whether favorable or unfavorable, which in the opinion of the management may make the historical operations or earnings not indicative of current or future operations or earnings. The Commission believes that these disclosure requirements encompass reporting the nature of a charge or credit, the reasons for a charge or credit, and an analysis of the components of the charge or credit, including information as to the types of items written off and provision made for future expenses. They also encompass the reporting of the timing of significant future cash requirements or recoveries.

The Commission also believes that provisions for future charges and the changes in such provisions are subject to the reporting requirements of Schedule XII of Regulation S-X (Valuation and Qualifying Accounts and Reserves) (17 CFR 210.12-13). Major components of such reserves should be set forth separately in Schedule XII.

By eliminating the specific material charges and credits item from the forms, the Commission does not believe the requirements for such disclosures have been lessened nor does it believe that the timeliness or quality of disclosures regarding material events or transactions of registrants will be diminished. The Commission again reminds registrants of their responsibilities under the Securities Acts for full and timely disclosure of material charges and credits in the absence of specific requirements in its forms. The Commission intends to monitor compliance with the disclosure requirements for these forms and will take further action in appropriate circumstances.

III. AMENDMENTS RELATING TO THE TRANSFER OF ITEMS FROM THE FORM 8-K TO THE FORM 10-Q

A. AMENDMENTS TO FORM 10-Q FOR QUARTERLY REPORTS UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT

The information called for by the items which have been eliminated from the Form 8-K will be reported in quarterly reports on Form 10-Q, with the exception of Items 9 (Options to Purchase Securities) and 10 (Extraordinary Item Charges * * *). Item 9 has not been included in Form 10-Q because the disclosure it calls for already is required in annual reports on Form 10-K and in proxy and information statements filed pursuant to Section 14 of the Securities Exchange Act; Item 10 has not been transferred to the Form 10-Q for the reasons discussed above.

The amendments to Form 10-Q provide for a two part report. Part I contains the quarterly financial information and Part II, which is deemed to be a "filed" document and subject to the liability provisions of Section 18 of the Exchange Act, contains the following items of information: (1) The information reported pursuant to the seven items being transferred to the Form 10-Q from the Form 8-K; (2) a new Item 8 which enables a registrant voluntarily to include in its quarterly report any information not otherwise called for by Form 10-Q which the registrant deems of material importance to security holders; (3) a new Item 9 relating to reports on Form 8-K, if any, which have been filed by registrant during the quarter covered by the report; and (4) appropriate instructions as to required exhibits. The General Instructions to Form 10-Q have been amended to reflect the reorganization of the form into the two parts and to include instructions appropriate to the information required by new Part II of the form.

New Item 8 of Part II of Form 10-Q, which permits registrants to report matters of material importance to security holders, is similar to former Item 13 of Form 8-K and to Item 5 of the amended form. It differs from the 8-K item in that it provides for disclosure of events "not previously reported in a report on Form 8-K."

In addition, new Item 9 of Part II of Form 10-Q requires registrants to file certain necessary exhibits to the other items of Part II and state whether any reports on Form 8-K have been filed during the quarter covered by the report, listing the dates of any such reports, the items reported and any financial statements filed. This amendment is intended to provide users of the reporting system with a convenient reference to determine whether a registrant has filed any reports on Form 8-K.

B. AMENDMENTS TO SECURITIES EXCHANGE ACT RULES 13a-13 (17 CFR 240.13a-13) AND 15d-13 (17 CFR 240.15d-13)

In connection with the transfer of items from the Form 8-K to the Form 10-Q, the Commission has adopted certain technical amendments to Rules 13a-13 and 15d-13 under the Exchange Act in order to set forth the persons required to file pursuant to and the nature of the filing requirements of Parts I and II of the form.

Rules 13a-13 and 15d-13 have been amended to revise the exemption contained therein from the requirement to file quarterly reports on Form 10-Q. All life insurance companies and holding companies, regardless of the effect on such companies of the amendments announced in Accounting Series Release No. 197 (41 FR 42645), and certain mining companies henceforth will be required to file quarterly reports on Part II of Form 10-Q to report the occurrence of any one or more of the events specified in Part II and to state whether or not any reports on Form 8-K have been filed. These companies have been required to file current reports on Form 8-K and, therefore, the amendment merely preserves the status quo. The exemption from the requirements to file quarterly and current reports on Forms 10-Q and 8-K formerly available to certain investment companies and foreign private issuers has not been affected by the amendments announced today.

Secondly, in order to retain the requirement that public utilities, common carriers and pipeline carriers report the information called for by the items which have been transferred from the Form 8-K to the 10-Q, Rules 13a-13 and 15d-13 have been amended to provide that those corporations which are regulated by the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission or the Interstate Commerce Commission may file their reports submitted to such agencies in lieu only of Part I of the form.[3]

Securities Exchange Act Rules 13a-13 and 15d-13 have provided prior to their amendment that the quarterly reports are not deemed to be "filed" for the purpose of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section.[4] Section 18 has been applicable to the information reported on Form 8-K and, accordingly, the Com-

[3] In Securities Exchange Act Release No. 12769 (September 3, 1976) (41 FR 39050), the Commission proposed amendments to Rules 13a-13 and 15d-13 to require registrants subject to the jurisdiction of the above federal agencies to file annual reports on Form 10-K and quarterly financial reports on Form 10-Q; these proposals are still pending.

[4] The basis stated for the determination that Section 18 should not apply to the quarterly financial information was that "interim earnings figures can frequently be arrived at only by the use of reasonable estimates or on the basis of certain assumptions * * *" *See* Securities Exchange Act Release No. 5129 (January 27, 1955), 20 FR 771 (February 4, 1955).

mission has amended Rules 13a-13 and 15d-13 to extend Section 18 liability to the information required by Part II of the Form 10-Q.

C. AMENDMENTS TO FORM 10-K FOR ANNUAL REPORTS PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT

Reports on Form 10-Q are not required for the fourth quarter of a registrant's fiscal year, and the Form 10-K has not previously required the disclosure of certain of the events reportable under the items contained in new Part II of the Form 10-Q. Therefore, in order to provide for prompt reporting of the information called for by these items concerning events occurring during registrant's fourth quarter, the Commission has amended the Form 10-K to require disclosure of the following matters unless previously reported in a report on Form 10-Q:

(1) The institution and termination of material legal proceedings (revised Item 5);

(2) Increases and decreases in registered debt securities and in indebtedness (revised Item 6);

(3) Changes in securities and changes in security for registered securities (new Item 7);

(4) Defaults upon senior securities (new Item 8); and

(5) Submission of matters to a vote of security holders (new Item 10).[5]

Item 6 has been amended further to eliminate former paragraph (b) which required disclosure relating to securities sold by registrants in reliance upon Section 4(2) of the Securities Act of 1933 (the "Securities Act") (15 U.S.C. 77a et seq. as amended by Pub. L. No. 94-29 (June 4, 1975)). The Commission believes that this paragraph is unnecessary because disclosure of sales of securities in reliance upon Section 4(2) is required already by other provisions. All issuances of equity securities are reported under paragraph (a) of Item 6. In addition, all increases in the amount outstanding of debt securities will be reported in quarterly reports on Form 10-Q (or in annual reports on Form 10-K when the transactions occurred during the fourth quarter of registrant's fiscal years) if the aggregate amount of all such increases not previously reported exceeds five percent of the outstanding securities of the class. In lieu of former paragraph (b) of Item 6, new paragraph (b) requires registrants to list and briefly discuss increases and decreases in the amount outstanding of debt securities and indebtedness which were previously reported in quarterly reports on Form 10-Q. The Commission believes that this amendment will make disclosure in the Form 10-K more complete while eliminating disclosure of less significant transactions and unnecessary repetition of previously disclosed information.

In addition, a new item has been adopted in Form 10-K requiring registrants to state whether any reports on Form 8-K have been filed during the last quarter of the period covered by the report and to list the items reported and financial statements filed, and the dates of the reports. Certain technical amendments to the Form 10-K have also been adopted to renumber the prior 10-K items and references to items contained therein, and to list the exhibits required by the new items of the form. (New Item 13(b) Reports on Form 8-K).

III. AMENDMENTS TO FORM 8-K FOR CURRENT REPORTS UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT AND TO SCHEDULE 14A TO REGULATION 14 UNDER THE SECURITIES EXCHANGE ACT

A. AMENDMENT TO ITEM 1 OF FORM 8-K (CHANGES IN CONTROL OF REGISTRANT) AND TO ITEM 5 OF SCHEDULE 14A TO REGULATION 14 (VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF)

The Commission has revised Item 1 of Form 8-K to expand the disclosure heretofore required to be reported concerning changes in control of registrants and to conform the disclosure requirements of the item to the existing requirements of Item 5 (e) and (f) of Schedule 14A to Regulation 14 under the Securities Exchange Act, applicable to proxy and information statements. The revised item will require disclosure of (1) the identity of the person or persons from whom control was assumed and (2) a description of any arrangements, including a pledge of securities of the registrant or any of its parents, which might result in a change in control of the registrant.

The Commission has also amended Item 1 of Form 8-K and Item 5 of Schedule 14A[6] to require the following additional disclosure concerning changes in control: (1) The amount and source of the consideration used by the person or persons who acquired control; (2) the terms of any loans or pledges obtained by the new control group for the purpose of acquiring control and the names of the lenders or pledgees; and (3) a description of any arrangements or understandings among members of both the former and new control group and their associates with respect to election of directors or other matters. If the source of all or any part of the consideration paid by the person(s) who acquired control is a loan made in the ordinary course of business by a bank as defined in Section 3(a)(6) of the Act, the revised items permit the registrant to delete the name of the bank provided a request for confidentiality has been made pursuant to Section 13(d)(1)(B) of the Act by the person(s) who acquired control.[7]

Certain commentators questioned the need for requiring disclosure of changes in control of registrants in reports on the Form 8-K in view of the filing requirements of Section 13(d) of the Exchange Act. It is the Commission's belief that a change in control of a registrant is an important event about which current information should be readily available to investors. The Schedule 13D (17 CFR 240.13d-101) is not an adequate substitute for the report on Form 8-K for the following reasons: (1) Section 13(d) is not applicable to the acquisition of securities of a company which files reports under the Exchange Act pursuant to Section 15(d) of the Act; (2) many, if not most, of the acquisitions of securities reported in accordance with Section 13(d) do not result in changes in control of the registrant; and (3) changes in control are not always the result of an acquisition of securities. Accordingly, Item 1 has been retained in the Form 8-K.

In addition, various commentators noted that the disclosure required by the item may be unavailable to the management. Rule 12b-21 under the Exchange Act (17 CFR 240.12b-21) relates to those instances when information is unknown to the registrant; therefore, these items have not been amended to state that information need be given only insofar as it is known or reasonably available to management.

B. AMENDMENT TO ITEM 2 OF FORM 8-K (ACQUISITION OR DISPOSITION OF ASSETS)

In order to provide for reporting of more complete information concerning acquisitions or dispositions of significant amounts of assets, otherwise than in the ordinary course of business, the Commission has amended Item 2 of Form 8-K to require disclosure of the source of the funds used by the registrant or its subsidiary in making an acquisition. If all or any part of the consideration is a loan made in the ordinary course of business by a bank as defined in Section 3(a)(6) of the Act, the revised item permits the registrant to delete the name of the bank provided a request for confidentiality has been made pursuant to Section 13(d)(1)(B) of the Act by the person(s) who acquired control.[8] The proposed revision to require disclosure of management's reasons for acquiring or disposing of the assets has been deleted upon its reconsideration by the Commission.

C. ADDITION OF NEW ITEM 3 TO FORM 8-K (BANKRUPTCY OR RECEIVERSHIP)

The Commission has adopted a new Item 3 to Form 8-K to require reporting of information concerning the appointment of a receiver for the registrant or its parent in a proceeding under the

[5] These matters have heretofore been reported in reports on Form 8-K under Items 10, 3, 7 and 8, 4 and 5, 6, and 11 respectively. For a discussion of the amendments of some of these items in Part II of the Form 10-Q, see the discussion in Section IV.

[6] The Commission recently has proposed for comment certain amendments to Item 5 of Schedule 14A which would require more disclosure regarding the background of the management of publicly-held companies. See Securities Act Release No. 5728 (November 2, 1976), 41 FR 4949 (November 9, 1976).

[7] If a request for confidentiality has not been made pursuant to Section 13(d)(1)(B) of the Act, registrant may request confidentiality of the identity of the bank pursuant to the provisions of Rule 24b-2 of the Act (17 CFR 240.24b-2).

[8] See also note 7 supra.

Bankruptcy Act or in any other proceeding under State or Federal law in which a court or governmental body has assumed jurisdiction over substantially all of the assets or business of the registrant or its parent, or if such jurisdiction has been assumed by leaving the existing directors and officers in possession, but subject to the supervision and control of a court or governmental body. The Commission believes that the availability of this information in the Commission's public files will be useful to investors.

D. AMENDMENT TO INSTRUCTION 4 OF THE INSTRUCTION RELATING TO THE FILING OF FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

Instruction 4 relating to the financial statements required when an acquisition of a business is reported pursuant to item 2 has been amended to clarify when the Commission may grant a waiver from the requirement to furnish financial statements. In addition, the instruction has been revised to state that requests for relief should be filed as a part of the report on Form 8-K and to set forth the information to be included together with such a request.

The Commission may grant relief from the provisions relating to the required financial statements if the statements are not reasonably available to the registrant, because the obtaining thereof would involve unreasonable effort or expense or practicable difficulties. When a request for relief is submitted, the Commission considers the reasons advanced by the registrant and the magnitude of the acquisition based on the financial data submitted.

The Commission believes that these amendments will facilitate the consideration of requests for relief in the future.

E. TECHNICAL AMENDMENTS

The new item and the items which have been retained in the Form 8-K as well as the instructions to the required exhibits have been renumbered and revised to reflect the above-outlined changes, the deletion of Items 9 and 10 and the transfer of former Items 3, 4, 5, 6, 7, 8 and 11 to the Form 10-Q. The cover page of the form has been amended to add a line for disclosure of the registrant's former name or former address if they have been changed since the registrant's last report was filed. General Instruction E has been deleted because Rule 12b-23 under the Exchange Act (17 CFR 240.12b-23) clearly discusses incorporation by reference.

IV. AMENDMENTS TO ITEMS OF THE FORM 8-K TRANSFERRED TO NEW PART II OF FORM 10-Q

A. ITEM 1, PART II OF FORM 10-Q (LEGAL PROCEEDINGS) (FORMERLY ITEM 3 OF FORM 8-K)

The Commission has transferred to the Form 10-Q in revised form previously numbered Item 3 of the Form 8-K. This item has been revised to require registrants to describe the disposition of previously reported legal proceedings.

B. ITEM 4 (INCREASE IN AMOUNT OUTSTANDING OF SECURITIES OR INDEBTEDNESS) AND ITEM 5 (DECREASE IN AMOUNT OUTSTANDING OF SECURITIES OR INDEBTEDNESS) OF PART II OF FORM 10-Q (FORMERLY ITEMS 7 AND 8 OF FORM 8-K)

Former Items 7 and 8 of the Form 8-K relating to disclosure of increases and decreases in securities outstanding have been transferred to Part II of the Form 10-Q in revised form. The items have been revised to reflect the staff's interpretation that increases and decreases in commercial loans must be reported thereunder.

A few commentators questioned the applicability of prior Form 8-K Items 7 and 8 to various types of commercial loans, such as revolving credit agreements, citing cases which hold that commercial loans are not securities. In view of their observations and in order to clarify the extent of disclosure which the Commission believes should be required by these items, the captions and the text of the items in the Form 10-Q have been revised to require disclosure of fluctuations in the amount outstanding of indebtedness as well as securities. Obligations which mature not later than one year from the date of issuance are excluded from the applicability of the items.

In addition, the items have been revised in order to require disclosure only of significant increases and decreases of indebtedness. A new instruction applicable to these items has been adopted which permits registrants to classify all of their indebtedness (including short term indebtedness) into convertible long term debt and other indebtedness for the purpose of determining whether the aggregate amount of all changes in the amount of one of these two classes of indebtedness, including changes not previously reported, exceeds five percent of the outstanding debt in the class.

The required disclosure with respect to increases and decreases in the amount of equity securities will be the same as that required by former Items 7 and 8 of the Form 8-K.

The Commission believes that the narrative disclosure relating to increases and decreases in commercial debt is necessary in Part II of the Form 10-Q despite the opinion expressed by certain commentators that the expanded balance sheet disclosure required in the quarterly report should be sufficient. The information which must be disclosed pursuant to Items 5 and 6 of Part II of the Form 10-Q is more complete than the information which is required by Part I of the form.

C. TECHNICAL AMENDMENTS

The instructions to Part I and the items and the instructions in Part II of the Form 10-Q have been numbered, revised or drafted to reflect the above-outlined changes and the reorganization of the form into 2 parts. Former General Instruction M to the Form 10-Q has been deleted because similar disclosure is now required in Part II of the revised form.

The text of amendments is set forth below:

1. Rule 13a-11 (§ 240.13a-11) is amended by revising paragraph (a) to read as follows:

§ 240.13a-11 Current reports on Form 8-K (§ 249.308 of this chapter).

(a) Except as provided in paragraph (b) of this section, every registrant subject to § 240.13a-1 shall file a current report on Form 8-K within the period specified in that form unless substantially the same information as that required by Form 8-K has been previously reported by the registrant.

* * * * *

2. Rule 13a-13 (§ 240.13a-13) is revised to read as follows:

§ 240.13a-13 Quarterly reports on Form 10-Q (§ 249.308a of this chapter).

(a) Except as provided in paragraphs (b) and (c) of this section, every issuer which has securities registered pursuant to section 12 of the Act and which is required to file annual reports pursuant to section 13 of the Act on Form 10-K (§ 249.310 of this chapter), 12-K (§ 249.312 of this chapter) or U5S (§ 249.450 of this chapter) shall file a quarterly report on Form 10-Q (§ 249.308a of this chapter) within the period specified in General Instruction A to that form, for each of the first three fiscal quarters of each fiscal year of the issuer, commencing with the first such fiscal quarter which ends after securities of the issuer become so registered.

(b) The provisions of this rule shall not apply to the following issuers:

(1) Investment companies required to file quarterly reports pursuant to § 240.13a-12; or

(2) Foreign private issuers required to file reports pursuant to § 240.13a-16.

(c) Part I of the quarterly report on Form 10-Q need not be filed by the following issuers:

(1) Life insurance companies and holding companies having only life insurance subsidiaries for quarters in fiscal years ending on or before December 25, 1978, if they do not meet the tests specified in § 210.3-16(t)(1)(i)(B);

(2) Mutual life insurance companies; or

(3) Mining companies not in the production stage but engaged primarily in the exploration for or the development of mineral deposits other than oil, gas or coal, if all the following conditions are met:

(i) The registrant has not been in production during the current fiscal year or the two years immediately prior thereto; except that being in production for an aggregate period of no more than eight months over the three-year period shall not be a violation of this condition.

(ii) Receipts from the sale of mineral products or from the operations of mineral producing properties by the registrant and its subsidiaries combined have not exceeded $500,000 in any of the most recent six years and have not aggregated more than $1,500,000 in the most recent six fiscal years.

(d) Public utilities, common carriers and pipeline carriers which submit financial reports to the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission or the Interstate Commerce Commission may, at their option, in lieu of furnishing the information called for by Part I of Form 10-Q, file as exhibits to reports on this form copies of their reports submitted to such Board or Commission for the preceding fiscal quarter or for each month of such quarter, as the case may be, together with copies of their quarterly reports, if any, for such periods sent to their stockholders.

(e) Notwithstanding the foregoing provisions of this section, the financial information required by Part I of Form 10-Q, or financial information submitted in lieu thereof pursuant to paragraph (d) of this section, shall not be deemed to be "filed" for the purpose of section 18 of the Act or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

3. Rule 15d-11 (§ 240.15d-11) is amended by revising paragraph (a) to read as follows:

§ 240.1d-11 Current reports on Form 8-K (§ 249.308 of this chapter).

(a) Except as provided in paragraph (b) of this section, every registrant subject to § 240.15d-1 shall file a current report on Form 8-K within the period specified in that form unless substantially the same information as that required by Form 8-K has been previously reported by the registrant.

* * * * *

4. Rule 15d-13 (§ 240.15d-13) is revised to read as follows:

§ 240.15d-13 Quarterly reports on Form 10-Q (§ 249.308a of this chapter).

(a) Except as provided in paragraphs (b) and (c) of this section, every issuer which has securities registered pursuant to the Securities Act of 1933 and which is required to file annual reports pursuant to section 15(d) of the Securities Exchange Act of 1934 on Forms 10-K (§ 249.310 of this chapter), 12-K (§ 249.312 of this chapter) or U5S (§249.-450 of this chapter) shall file a quarterly report on Form 10-Q (§ 249.308a of this chapter) within the period specified in General Instruction A to that form, for each of the first three fiscal quarters of each fiscal year of the issuer, commencing with the first such fiscal quarter which ends after securities of the issuer become so registered.

(b) The provisions of this rule shall not apply to the following issuers:

(1) Investment companies required to file quarterly reports pursuant to §240.-15d-12; or

(2) Foreign private issuers required to file reports pursuant to §240.15d-16.

(c) Part I of the quarterly report on Form 10-Q need not be filed by the following issuers:

(1) Life insurance companies and holding companies having only life insurance subsidiaries for quarters in fiscal years ending on or before December 25, 1978, if they do not meet the tests specified in § 210.3-16(t) (1) (i) (B);

(2) Mutual life insurance companies; or

(3) Mining companies not in the production stage but engaged primarily in the exploration for or the development of mineral deposits other than oil, gas or coal, if all the following conditions are met:

(i) The registrant has not been in production during the current fiscal year or the two years immediately prior thereto; except that being in production for an aggregate period of no more than eight months over the three-year period shall not be a violation of this condition.

(ii) Receipts from the sale of mineral products or from the operations of mineral producing properties by the registrant and its subsidiaries combined have not exceeded $500,000 in any of the most recent six years and have not aggregated more than $1,500,000 in the most recent six fiscal years.

(d) Public utilities, common carriers and pipeline carriers which submit financial reports to the Civil Aeronautics Board, the Federal Communications Commission, the Federal Power Commission or the Interstate Commerce Commission may, at their option, in lieu of furnishing the information called for by Part I of Form 10-Q, file as exhibits to reports on this form copies of their reports submited to such Board or Commission for the preceding fiscal quarter or for each month of such quarter, as the case may be, together with copies of their quarterly reports, if any, for such periods sent to their stockholders.

(e) Nothwithstanding the foregoing provisions of this section, the financial information required by Part I of Form 10-Q, or financial information submitted in lieu thereof pursuant to paragraph (d) of this section, shall not be deemed to be "filed" for the purpose of section 18 of the Act or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act.

5. Section 249.308 is amended by revising Form 8-K to read as follows:

§ 249.308 Form 8-K, for current reports.

* * * * *

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) ______________

____
(Exact name of registrant as specified in its charter)

____
(State or other jurisdiction of incorporation)

____
(Commission File Number) (IRS Employer Identification No.)

____
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code______________

____
(Former name or former address, is changed since last report.)

GENERAL INSTRUCTIONS

A. Rule as to Use of Form 8-K.

Form 8-K shall be used for current reports under Section 13 or 15(d) of the Securities Exchange Act of 1934, filed pursuant to Rule 13a-11 [17 CFR 240.13a-11] or Rule 15d-11 [17 CFR 240.15d-11].

B. Events to be Reported and Filing of Reports.

A report on this form is required to be filed upon the occurrence of any one or more of the events specified in the items of this form. Reports are to be filed within 15 days after the occurrence of the earliest event required to be reported. However, reports which disclose events pursuant to Item 5 may be filed within 10 days after the close of the month during which the event occurred. If the letter from the independent accountants to be furnished pursuant to Item 4(d) is unavailable at the time of filing, it shall be filed within thirty days thereafter. Moreover, if substantially the same information as that required by this form has been previously reported by the registrant, an additional report of the information on this form need not be made. The term "previously reported" is defined in Rule 12b-2 [17 CFR 240.12b-2].

C. Application of General Rules and Regulations.

(a) The General Rules and Regulations under the Act [17 CFR Part 240] contain certain general requirements which are applicable to reports on any form. These general requirements should be carefully read and observed in the preparation of filing of reports on this form.

(b) Particular attention is directed to Regulation 12B [17 CFR 240.12b-1 et seq.] which contains general requirements regarding matters such as the kind and size of paper to be used, the legibility of the report, the information to be given whenever the title of securities is required to be stated, and the filing of the report. The definitions contained in Rule 12b-2 should be especially noted. See also Regulations 13A [17 CFR 240.13a-1 et seq.] and 15D [17 CFR 240.15d-1 et seq.].

D. Preparation of Report.

This form is not to be used as a blank form to be filled in, but only as a guide in the preparation of the report on paper meeting the requirements of Rule 12b-12 [17 CFR 240.12b-12]. The report shall contain the numbers and captions of all applicable items, but the text of such items may be omitted, provided the answers thereto are prepared in the manner specified in Rule 12b-13 [17 CFR 240.12b-13]. All items which are not required to be answered in the particular report may be omitted and no reference thereto need be made in the report. All instructions should also be omitted.

E. Signature and Filing of Report.

Three complete copies of the report, including any financial statements, exhibits or other papers or documents filed as a part thereof, and five additional copies which need not include exhibits, shall be filed with the Commission. At least one complete copy of the report, including any financial statements, exhibits or other papers or documents filed as a part thereof, shall be filed with each exchange on which any class of securities of the registrant is registered. At least one complete copy of the report filed with the Commission and one such copy filed with each exchange shall be manually signed. Copies not manually signed shall bear typed or printed signatures.

INFORMATION TO BE INCLUDED IN THE REPORT

Item 1. Changes in Control of Registrant.

(a) If, to the knowledge of management, a change in control of the registrant has occurred, state the name of the person(s) who acquired such control; the amount and the source of the consideration used by such person(s); the basis of the control; the date and a description of the transaction(s) which resulted in the change in control; the percentage of voting securities of the registrant now beneficially owned directly or indirectly by the person(s) who acquired control; and the identity of the person(s) from whom control was assumed. If the source of all or any part of the consideration used is a loan made in the ordinary course of business by a bank as defined by Section 3(a)(6) of the Act, the identity of such bank shall be omitted provided a request for confidentiality has been made pursuant to Section 13(d)(1)(B) of the Act by the person(s) who acquired control. In lieu thereof, the material shall indicate that disclosure of the identity of the bank has been so omitted and filed separately with the Commission.

Instructions. 1. State the terms of any loans or pledges obtained by the new control group for the purpose of acquiring control, and the names of the lenders or pledgees.

2. Any arrangements or understandings among members of both the former and new control groups and their associates with respect to the election of directors or other matters shall be described.

(b) Describe any contractual arrangements, including any pledge of securities of the registrant, or any of its parents, known to management, the operation of the terms of which may at a subsequent date result in a change in control of the registrant.

Instruction. Paragraph (b) does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the registrant.

Item 2. Acquisition or Disposition of Assets.

If the registrant or any of its majority-owned subsidiaries has acquired or disposed of a significant amount of assets, otherwise than in the ordinary course of business, furnish the following information:

(a) The date and manner of the acquisition or disposition and a brief description of the assets involved, the nature and amount of consideration given or received therefor, the principle followed in determining the amount of such consideration, the identity of the person(s) from whom the assets were acquired or to whom they were sold and the nature of any material relationship between such person(s) and the registrant or any of its affiliates, any director or officer of the registrant, or any associate of any such director or officer. If the transaction being reported is an acquisition, identify the source(s) of the funds used unless all or any part of the consideration used is a loan made in the ordinary course of business by a bank as defined by Section 3(a)(6) of the Act in which the identity of such bank shall be omitted provided a request for confidentiality has been made pursuant to Section 13(d)(1)(B) of the Act. In lieu thereof, the material shall indicate that the identity of the bank has been so omitted and filed separately with the Commission.

(b) If any assets so acquired by the registrant or its subsidiaries constituted plant, equipment or other physical property, state the nature of the business in which the assets were used by the person(s) from whom acquired and whether the registrant intends to continue such use or intends to devote the assets to other purposes, indicating such other purposes.

Instructions. 1. No information need be given as to (i) any transaction between any person and any wholly-owned subsidiary of such person; (ii) any transaction between two or more wholly-owned subsidiaries of any person; or (iii) the redemption or other acquisition of securities from the public, or the sale or other disposition of securities to the public, by the issuer of such securities.

2. The term "acquisition" includes every purchase, acquisition by lease, exchange, merger, consolidation, succession or other acquisition; provided, that such term does not include the construction or development of property by or for the registrant or its subsidiaries or the acquistion of materials for such purpose. The term "disposition" includes every sale, disposition by lease, exchange, merger, consolidation, mortgage, or hypothecation of assets, assignment, whether for the benefit of creditors or otherwise, abandonment, destruction, or other disposition.

3. The information called for by this item is to be given as to each transaction or series of related transactions of the size indicated. The acquisition or disposition of securities shall be deemed the indirect acquisition or disposition of the assets represented by such securities if it results in the acquisition or disposition of control of such assets.

4. An acquisition or disposition shall be deemed to involve a significant amount of assets (i) if the registrant's and its other subsidiaries' equity in the net book value of such assets or the amount paid or received therefor upon such acquisition or disposition exceeded 10 percent of the total assets of the registrant and its consolidated subsidiaries, (ii) if it involved the succession to or disposition of a business which would meet the test of a significant subsidiary, or (iii) if it involved the acquisition or disposition of an interest in a business which would meet the test of a significant subsidiary and would be required to be accounted for by the equity method.

5. Where assets are acquired or disposed of through the acquisition or disposition of control of a person, the person from whom such control was acquired or to whom it was disposed of shall be deemed the person from whom the assets were acquired or to whom they were disposed of, for the purposes of this item. Where such control was acquired from or disposed of to not more than five persons, their names shall be given; otherwise it will suffice to identify in an appropriate manner the class of such persons.

6. Attention is directed to the requirements in Item 6 of the form with respect to the filing of financial statements for businesses acquired and to the filing of copies of the plans of acquisition or disposition as exhibits to the report.

Item 3. Bankruptcy or Receivership.

If a receiver, fiscal agent or similar officer has been appointed for a registrant or its parent, in a proceeding under the Bankruptcy Act or in any other proceeding under State or Federal law in which a court or governmental agency has assumed jurisdiction over substantially all of the assets or business of the registrant or its parent, or if such jurisdiction has been assumed by leaving the existing directors and officers in possession but subject to the supervision and orders of a court or governmental body, identify the proceeding, the court or governmental body, the date jurisdiction was assumed, the identity of the receiver, fiscal agent or similar officer and the date of his appointment.

Item 4. Changes in Registrant's Certifying Accountant.

If an independent accountant who was previously engaged as the principal accountant to audit the registrant's financial statements resigns (or indicates he declines to stand for reelection after the completion of the current audit) or is dismissed as the registrant's principal accountant, or another independent accountant is engaged as principal accountant, or if an independent accountant on whom the principal accountant expressed reliance in his report regarding a significant subsidiary resigns (or formally indicates he declines to stand for re-election after the completion of the current audit) or is dismissed or another independent accountant is engaged to audit that subsidiary:

(a) State the date of such resignation (or declination to stand for re-election), dismissal or engagement.

(b) State whether in connection with the audits of the two most recent fiscal years and any subsequent interim period preceding such resignation, dismissal or engagement there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements if not resolved to the satisfaction of the former accountant would have caused him to make reference in connection with his report to the subject matter of the disagreement(s); also, describe each such disagreement. The disagreements required to be reported in response to the preceding sentence include both those resolved to the former accountant's satisfaction and those not resolved to the former accountant's satisfaction. Disagreements contemplated by this rule are those which occur at the decisionmaking level; i.e., between personnel of the registrant responsible for presentation of its financial statements and personnel of the accounting firm responsible for rendering its report.

(c) State whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified as to uncertainty, audit scope, or accounting principles; also describe the nature of each such adverse opinion, disclaimer of opinion, or qualification.

(d) The registrant shall request the former accountant to furnish the registrant with a letter addressed to the Commission stating whether he agrees with the statements made by the registrant in response to this item and, if not, stating the respects in which he does not agree. The registrant shall file a copy of the former accountant's letter as an exhibit with all copies of the Form 8-K required to be filed pursuant to General Instruction F.

Item 5. Other Materially Important Events.

The registrant may, at its option, report under this item any events, with respect to which information is not otherwise called for by this form, which the registrant deems of material importance to security holders.

Item 6. Financial Statements and Exhibits.

List below the financial statements and exhibits, if any, filed as a part of this report.

(a) Financial statements of businesses acquired.

Instructions. 1. Businesses for Which Statements are Required.

The financial statements specified below shall be filed for any business the succession to which or the acquisition of an interest in which is required to be described in answer to Item 2 above.

2. Statements Required.

(a) There shall be filed a balance sheet of the business as of a date reasonably close to the date of acquisition. This balance sheet need not be audited, but if it is not audited there shall also be filed an audited balance sheet as of the close of the preceding fiscal year.

(b) Income and source and application of funds statements of the business shall be filed for each of the last three full fiscal years and for the period, if any, between the close of the latest of such fiscal years and the date of the latest balance sheet filed. These income and source and application of funds statements shall be audited up to the date of the audited balance sheet.

(c) If the business was in insolvency proceedings immediately prior to its acquisition, the balance sheets required above need not be audited. In such case, the income and source and application of funds statements required shall be audited to the close of the latest full fiscal year.

(d) Except as otherwise provided in this instruction, the principles applicable to a registrant and its subsidiaries with respect to the filing of individual, consolidated and group statements in an original application or annual report shall be applicable to the statements required by this instruction.

3. Application of Regulation S-X.

Regulation S-X governs the examination and the form and content of the statements required by the preceding instruction, including the basis of consolidation, and prescribes the statements of other stockholders' equity to be filed. No supporting schedules need be filed. A manually signed accountant's report should be provided as required by Rule 2-02(a) of Regulation S-X [17 CFR 210.2-02(a)].

4. Filing of Other Financial Information in Certain Cases.

The Commission may, upon the written request of the registrant and where consistent with the protection of investors, permit the omission of one or more of the financial statements herein required or the filing in substitution therefor of appropriate statements of comparable character, if the required audited financial statements are not reasonably available to the registrant, because the obtaining thereof would involve unreasonable effort, expense or practicable difficulties. A request for such relief shall be filed as a part of the report. If an extension of time has been granted pursuant to Rule 12b-25 [17 CFR 240.12b-25], a request for relief shall be filed as a part of an amendment to the initial report within the additional time provided under said rule. The request shall set forth the following information:

(a) The reason(s) for the unavailability of the audited financial statements;

(b) The estimated costs of the audit;

(c) An explanation of any other practical auditing problems;

(d) A letter from the registrant's independent auditors confirming the above representation; and

(e) A tabular presentation of the following items of information, comparing the acquired business(es) with the registrant on a consolidated basis (excluding the acquired business(es)): (1) gross sales and operating revenues; (2) net income; (3) total assets; (4) total stockholder equity; and (5) total purchase price compared to total assets of registrant.

The Commission may also by informal written notice require the filing of other financial statements in addition to, or in substitution for, the statements herein required in any case where such statements are necessary or appropriate for an adequate presentation of the financial condition of any person whose financial statements are required, or whose statements are otherwise necessary for the protection of investors.

(b) Exhibits. Subject to the rules as to incorporation by reference, the following documents shall be filed as exhibits to this report:

1. Copies of any plan of acquisition or disposition described in answer to Item 2, including any plan of reorganization, readjustment, exchange, merger, consolidation or succession in connection therewith.

2. Letters from the independent accountants furnished pursuant to Item 4(d).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

_______________ (Registrant)

Date _______________ _______________ (Signature)[1]

6. Section 249.308a is amended by amending Form 10-Q to read as follows:

§ 249.308a Form 10-Q, for quarterly reports under section 13 or 15(d) of the Securities Exchange Act of 1934.

* * * * *

GENERAL INSTRUCTIONS

A.-C. [No change.]

D. *Incorporation by Reference.*

(a) If the registrant makes available to its stockholders or otherwise publishes, within the period prescribed for filing the report, a financial statement containing the information required by this form, the information called for may be incorporated by reference to such published statement provided copies thereof are filed as an exhibit to Part I of the report on this form.

(b) Other information may be incorporated by reference in answer or partial answer to any item or items of Part II of this form in accordance with the provisions of Rule 12b-23.

E. *Signature and Filing of Report.*

Eight copies of the report shall be filed with the Commission. At least one copy of the report shall be filed with each exchange on which any class of securities of the registrant is listed and registered. At least one copy of the report filed with the Commission and one copy filed with each such exchange shall be manually signed on the registrant's behalf by a duly authorized officer of the registrant and by the principal financial officer or chief accounting officer of the registrant. Copies not manually signed shall bear typed or printed signatures.

PART I. FINANCIAL INFORMATION

Instruction 1. Persons for Whom the Financial Information Is To Be Given.

(a) The required information is to be given as to the registrant or, if the registrant includes consolidated financial statements in its annual reports filed with the Commission, it shall be given for the registrant and its consolidated subsidiaries. If the information is given for the registrant and its consolidated subsidiaries, it need not be given separately for the registrant.

(b) Summarized income statement information shall be given separately as to each subsidiary not consolidated or 50 percent or less owned persons or as to each group of such subsidiaries or fifty percent or less owned persons for which separate individual or group statements are required to be included in the registrant's annual reports filed with the Commission. It need not be furnished, however, for any such subsidiary or person which would not be required pursuant to Rule 13a-13 or 15d-13 to file quarterly financial information if it were a registrant.

Instruction 2. Preparation of Financial Information.

This part requires only the items of information specified. The information is not required to be audited and may carry a notation to that effect and any other qualification considered necessary or appropriate. Amounts may be stated in thousands or hundred thousands of dollars provided it is stated that such has been done. Losses or other negative amounts shall be indicated clearly in the caption and the amounts shown in brackets or parentheses.

Instruction 3. Delay in Filing Financial Information.

The information required may be omitted with respect to foreign subsidiaries not consolidated or other foreign persons if it is impracticable to furnish it within the time specified for filing the report, provided it is indicated that such information has been omitted and the omitted information is furnished by amendment when available. Apart from the foregoing, any request for extension of time for the filing of the report or the furnishing of any of the required information shall be made pursuant to Rule 12b-25.

Instructions 4 and 5. [No change from former Instructions H and I of Form 10-Q.]

Instruction 6. Other Financial Information.

The registrant may furnish any additional information related to the periods being reported on which, in the opinion of management, is of significance to investors, such as the seasonality of the company's business, major uncertainties currently facing the company, significant accounting changes under consideration and the dollar amount of backlog of firm orders.

Instructions 7 and 8. [No change from former Instructions K and L of Form 10-Q.]

Instruction 9. Exhibits.

List below the following documents, if any, cited as a part of Part I of this report:

1. Financial information filed in lieu of the information required by this form in accordance with General Instruction D.

2. Letters from the independent accountants furnished pursuant to Instruction 4(f).

3. Statements setting forth the computation of per share earnings furnished in accordance with Instruction 4(g).

4. Letters from the independent accountant furnished pursuant to Instruction 7.

PART II. OTHER INFORMATION

Instruction. The report shall contain the item numbers and captions of all applicable items of Part II, but the text of such items may be omitted provided the responses clearly indicate the coverage of the item. Any item which is inapplicable or to which the answer is negative may be omitted and no reference thereto need be made in the report. If substantially the same information has been previously reported by the registrant, an additional report of the information on this form need not be made. The term "previously reported" is defined in Rule 12b-2 [17 CFR 240.12b-2].

Item 1. Legal Proceedings

(a) Briefly describe any material legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or any of its subsidiaries has become a party or of which any of their property has become the subject. Include the name of the court or agency in

[1] Print name and title of the signing officer under his signature.

which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceedings and the relief sought.

(b) If any such proceeding previously reported has been terminated, identify the proceeding, give the date of termination and describe the disposition thereof with respect to the registrant and its subsidiaries.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding the foregoing instructions, any bankruptcy, receivership or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any proceeding to which any director, officer or affiliate of the registrant, any principal holder of equity securities of the registrant or any associate of any such director, officer or security holder, is a party adverse to the registrant or any of its subsidiaries shall also be described.

4. Notwithstanding the foregoing, administrative or judicial proceedings arising under any Federal, State or local provisions regulating the discharge of materials into the environment or otherwise relating to the protection of the environment shall not be deemed "ordinary routine litigation incidental to the business" and shall be described if such proceeding is material to the business or financial condition of the registrant or if it involves primarily a claim for damages and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. Any such proceedings by governmental authorities shall be deemed material and shall be described whether or not the amount of any claim for damages involved exceeds 10 percent of current assets on a consolidated basis and whether or not such proceedings are considered "ordinary routine litigation incidental to the business"; provided, however, that such proceedings which are similar in nature may be grouped and described generically stating: the number of such proceedings in each group; a generic description of such proceedings; the issues generally involved; and, if such proceedings in the aggregate are material to the business or financial condition of the registrant, the effect of such proceedings on the business or financial condition of the registrant.

Item 2. Changes in Securities.

(a) If the constituent instruments defining the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of registered securities have been materially limited or qualified by the issuance or modification of any other class of securities, state briefly the general effect of the issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

Instruction. Working capital restrictions and other limitations upon the payment of dividends are to be reported hereunder.

Item 3. Changes in Security for Registered Securities.

If there has been a material withdrawal or substitution of assets securing any class of registered securities of the registrant, furnish the following information:

(a) Give the title of the securities.

(b) Identify and describe briefly the assets involved in the withdrawal or substitutions.

(c) Indicate the provision in the underlying indenture, if any, authorizing the withdrawal or substitution.

Instruction. This item need not be answered where the withdrawal or substitution is made pursuant to the terms of an indenture which has been qualified under the Trust Indenture Act of 1939.

Item 4. Defaults Upon Senior Securities.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the registrant or any of its significant subsidiaries exceeding 5 percent of the total assets of the registrant and its consolidated subsidiaries, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest, or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

Instruction. This paragraph refers only to events which have become defaults under the governing instruments, *i.e.*, after the expiration of any period of grace and compliance with any notice requirements.

(b) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the registrant which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the registrant, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.

Instruction. Item 4 need not be answered as to any default or arrearage with respect to any class of securities all of which is held by, or for the account of, the registrant or its totally held subsidiaries.

Item 5. Increase in Amount Outstanding of Securities of Indebtedness.

If the amount outstanding of securities or indebtedness of the registrant has been increased through the issuance of any new class of securities or indebtedness or through the issuance of reissuance of any additional securities or indebtedness of a class outstanding, and the aggregate amount of all such increases not previously reported exceeds 5 percent of the outstanding securities or indebtedness of the class, furnish the following information:

(a) Title of class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date);

(b) A brief description of the transaction(s) resulting in the increase and a statement of the aggregate net cash proceeds or the nature and aggregate amount of any other consideration received or to be received by the registrant;

(c) The names of the principal underwriters, if any, indicating any such underwriters which are affiliates of the registrant;

(d) A reasonably itemized statement of the purposes so far as determinable, for which the net proceeds have been or are to be used and the approximate amount used or to be used for each such purpose;

(e) A statement as to whether or not any such securities were registered under the Securities Act of 1933; if not, an indication of the exemption claimed and the facts relied upon to make the exemption available; and

(f) If the securities were capital shares, a statement of the amount of the proceeds credited or to be credited to any account other than the appropriate capital share account.

Instructions. 1. For the purpose of responding to this item, the registrant may treat each of the following as a single class of indebtedness: (1) convertible long term debt; and (2) other indebtedness.

2. This item does not apply to notes, drafts, bills of exchange, bankers' acceptances or other obligations which mature not later than 1 year from the date of issuance. No report need be made where the amount not previously reported, although in excess of 5 percent of the amount outstanding, does not exceed $50,000 face amount of indebtedness or 1,000 shares or other units.

3. This item includes the reissuance of treasury securities and securities held for the account of the issuer thereof. The extension of the maturity date of indebtedness shall be deemed to be the issuance of new indebtedness for the purpose of this item. In the case of such an extension, the percentage shall be computed upon the basis of the principal amount of the indebtedness extended.

Item 6. Decrease in Amount Outstanding of Securities or Indebtedness.

If the amount outstanding of any class of securities or indebtedness of the registrant has been decreased through one or more transactions and the aggregate amount of all such decreases not previously reported exceeds 5 percent of the amount of securities or indebtedness of the class previously outstanding, furnish the following information:

(a) Title of the class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date).

(b) A brief description of the transaction(s) involving the decrease and a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid by the registrant in connection with such transaction or transactions.

Instruction. Instructions 1 and 2 to Item 5 shall also apply to this item. This item need not be answered as to decreases resulting from ordinary sinking fund operations, similar periodic decreases made pursuant to the terms of the constituent instruments, decreases resulting from the conversion of securities or decreases resulting from the payment of indebtedness at maturity.

Item 7. Submission of Matters to a Vote of Security Holders.

If any matter has been submitted to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information:

(a) The date of the meeting and whether it was an annual or special meeting.

(b) If the meeting involved the election of directors, state the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

(c) Briefly describe each other matter voted upon at the meeting and state the number of affirmative votes and the number of negative votes cast with respect to each such matter.

Instructions. 1. If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a stockholders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

2. Paragraph (a) need be answered only if paragraph (b) or (c) is required to be answered.

3. Paragraph (b) need not be answered if (i) proxies for the meeting were solicited pursuant to Regulation 14 under the Act, (ii) there was no solicitation in opposition to the management's nominees as listed in the proxy statement, and (iii) all of such nominees were elected. If the registrant did not solicit proxies and the board of directors as previously reported to the Commission was re-elected in its entirety, a statement to that effect in answer to paragraph (b) will suffice as an answer thereto.

4. Paragraph (c) need not be answered as to procedural matters or as to the selection or approval of auditors.

5. If the registrant has published a report containing all of the information called for by this item, the item may be answered by a reference to the information contained in such report, provided copies of such report are filed as an exhibit to the report on this form.

Item 8. Other Materially Important Events.

The registrant may, at its option, report under this item any events, not previously reported in a report on Form 8-K, with respect to which information is not otherwise called for by this form but which the registrant deems of material importance to security holders.

Item 9. Exhibits and Reports on Form 8-K [17 CFR 249.308]

(a) Exhibits. List below the documents, if any, filed as a part of this report. Subject to the rules as to incorporation by reference, the following documents shall be filed as exhibits:

1. Copies of the amendments to all constituent instruments and other documents described in answer to Item 2.

2. Copies of all constituent instruments defining the rights of the holders of any new class of securities referred to in answer to Item 5.

3. Copies of the text of any proposal described in answer to Item 7.

4. Copies of any published report furnished in response to Item 7. (See Item 7, Instruction 5.)

5. Copies of any material amendment to the registrant's charter or by-laws not otherwise required to be filed.

(b) Reports on Form 8-K. State whether any reports on Form 8-K have been filed during the quarter for which this report is filed, listing the items reported, any financial statements filed, and the dates of any such reports.

SIGNATURES [1]

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	(Registrant)
Date ______________	(Signature) [2]
Date ______________	(Signature) [2]

[1] *See* General Instruction E.

[2] Print name and title of the signing officer under his signature.

7. Section 249.310 is amended by amending Form 10-K.

§ 249.310 Form 10-K, annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.

* * * * *

GENERAL INSTRUCTIONS

A.-G. [No change.]

H. *Omission of Information Previously Filed.*

(a) Except as provided in paragraph (b) below, the information called for by Part I of this form (Items 1 through 13) is to be furnished by all registrants required to file a report on this form. Part II (Items 14 through 18) may be omitted from the report by any registrant which, since the close of the fiscal year, has filed with the Commission a definitive proxy statement pursuant to Regulation 14A, or a definitive information statement pursuant to Regulation 14C, which involved the election of directors, or which files such a proxy or information statement not later than 120 days after the close of the fiscal year.

(b) If the information called for by Items 4, 5 or 12 would be unchanged from that given in a previous report, a reference to the previous report which includes the required information will be sufficient. Copies of such previous report need not be filed with the report currently being filed on this form.

PART I

Item 1. [No change.]

Item 2. Summary of Operations

* * * * *

Instructions. 1.-5. [No change.]

6. For any previously reported material charge or credit to income of an unusual or infrequent nature in which an amount of cost was estimated to be incurred in the fiscal year being reported on or the prior fiscal year, summarize such transaction and state the amounts of such estimated cost and the amounts of the actual cost incurred in such periods, the reasons for differences between estimated and actual amounts, if any, and provide a detailed reconciliation showing all chages and credits to any reserve provided.

Items 3. and 4. [No change.]

Item 5. Legal Proceedings

(a) Briefly describe any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the registrant or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

(b) If any material legal proceeding which was previously reported or which became reportable during the fourth quarter of registrant's fiscal year was terminated during such quarter, give the date of termination and describe the disposition thereof with respect to the registrant and its subsidiaries.

Instructions. 1. If the business ordinarily results in actions for negligence or other claims, no such action or claim need be described unless it departs from the normal kind of such actions.

2. No information need be given with respect to any proceeding which involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. However, if any proceeding presents in large degree the same issues as other proceedings pending or known to be contemplated, the amount involved in such other proceedings shall be included in computing such percentage.

3. Notwithstanding Instructions 1 and 2, any material bankruptcy, receivership, or similar proceeding with respect to the registrant or any of its significant subsidiaries shall be described. Any material proceedings to which any director, officer or affiliate of the registrant, any security holder named in answer to Item 14(a), or any associate of any such director, officer or security holder, is a party, or has a material interest, adverse to the registrant or any of its subsidiaries shall also be described.

4. Notwithstanding the foregoing, administrative or judicial proceeding arising under any Federal, State or local provisions regulating the discharge of materials into the environment or otherwise relating to the protection of the environment shall not be deemed "ordinary routine litigation incidental to the business" and shall be described if such proceeding is material to the business or financial condition of the registrant or if it involves primarily a claim for damages and the amount involved, exclusive of interest and costs, exceeds 10 percent of the current assets of the registrant and its subsidiaries on a consolidated basis. Any such proceedings by governmental authorities shall be deemed material and shall be described whether or not the amount of any claim for damages involved exceeds 10 percent of current assets on a consolidated basis and whether or not such proceedings are considered "ordinary routine litigation incidental to the business"; provided, however, that such proceedings which are similar in nature may be grouped and described generically stating: the number of such proceedings in each group; a generic description of such proceedings; the issues generally involved; and, if such proceedings in the aggregate are material to the business or financial condition of the registrant, the effect of such proceedings on the business or financial condition of the registrant.

Item 6. Increases and Decreases in Outstanding Securities and Indebtedness.

(a) Give the following information as to all increases and decreases during the fiscal year in the amount of equity securities of the registrant outstanding:

(1) The title of the class of securities involved;

(2) The date of the transaction;

(3) The amount of securities involved and whether an increase or decrease; and

(4) A brief description of the transaction in which the increase or decrease occurred.

If previously reported, the description may be incorporated by a specific reference to the previous filing.

Instruction. The information shall be prepared in the form of a reconciliation between the amounts shown to be outstanding on the balance sheet to be filed with this report and the amounts shown on the registrant's balance sheet for the previous year. The exercise of outstanding options or warrants (separately by class or type of option or warrant), conversions of previously issued convertible securities (separately by class of security) and the issuance of options may be grouped together showing the dates between which all such transactions occurred. If the information called for has been previously reported on Form 10-Q it may be incorporated by a specific reference to the previous filing.

(b) Increases and decreases in the amount outstanding of debt securities and indebtedness which were previously reported in reports on Form 10-Q should be listed and briefly discussed with appropriate cross references to the earlier disclosure.

(c) If, during the fourth quarter of registrant's fiscal year, the amount of debt securities or indebtedness outstanding has been increased or decreased through one or more transactions, and the aggregate amount of all such increases or decreases not previously reported exceeds 5% of the outstanding securities or indebtedness of the affected class, furnish, the following information:

(1) Title of class, the amount outstanding as last previously reported, and the amount presently outstanding (as of a specified date);

(2) A brief description of the transaction or transactions resulting in the change;

(3) If an increase in securities or indebtedness is reported, furnish: (i) a statement of the aggregate net cash proceeds or the nature and aggregate amount of any consideration received or to be received by the registrant; (ii) the names of the principal underwriters, if any, indicating any such underwriters which are affiliates of the registrant; (iii) a reasonably itemized statement of the purposes, so far as determinable, for which the net proceeds have been or are to be used and the approximate amount used or to be used for each such purpose; and (iv) a statement as to whether or not any such securities were registered under the Securities Act of 1933; if not, an indication of the exemption claimed and the facts relied upon to make the exemption available; and

(4) If a decrease in securities or indebtedness is reported, a statement of the aggregate amount of cash or the nature and aggregate amount of any other consideration paid or to be paid by the registrant in connection with such transaction or transactions.

Instructions. 1. For the purposes of responding to paragraph (b) the registrant may treat each of the following as a single class of indebtedness: (1) convertible long term debt, and (2) other indebtedness.

2. This paragraph does not apply to notes, drafts, bills of exchange, bankers' acceptances, or other obligations which mature not later than 1 year from the date of issuance. No report need be made where the amount not previously reported, although in excess of 5 percent of the amount outstanding, does not exceed $50,000 face amount of indebtedness or 1,000 shares or other units.

3. This paragraph includes the reissuance of treasury securities and securities held for the account of the issuer thereof. The extension of the maturity date of indebtedness shall be deemed to be the issuance of new indebtedness for the purpose of this paragraph. In the case of such an extension, the percentage shall be computed upon the basis of the principal amount of the indebtedness extended.

4. This paragraph need not be answered as to decreases resulting from ordinary sinking fund operations, similar periodic decreases made pursuant to the terms of the constituent instruments, decreases resulting from the conversion of securities or decreases resulting from the payment of indebtedness at maturity.

Item 7. Changes in Securities and Changes in Security for Registered Securities.

General Instruction. No response to this item is required if the information called for herein has been previously reported in a report on Form 10-Q.

(a) If the constituent instruments defining the rights of the holders of any class of registered securities have been materially modified, give the title of the class of securities involved and state briefly the general effect of such modification upon the rights of holders of such securities.

(b) If the rights evidenced by any class of registered securities have been materially limited or qualified by the issuance or modification of any other class of securities, state briefly the general effect of the issuance or modification of such other class of securities upon the rights of the holders of the registered securities.

Instruction. Working capital restrictions and other limitations upon payment of dividends are to be reported hereunder.

(c) If there has been a material withdrawal or substitution of assets securing any class of registered securities of the registrant, furnish the following information:

1. Give the title of the securities.

2. Identify and describe briefly the assets involved in the withdrawal or substitutions.

3. Indicate the provision in the underlying indenture, if any, authorizing the withdrawal or substitution.

Instruction. This paragraph need not be answered where the withdrawal or substitution is made pursuant to the terms of an indenture which has been qualified under the Trust Indenture Act of 1939.

Item 8. Defaults upon Senior Securities.

General Instruction. No response to this item is required if the information called for herein has been previously reported in a report on Form 10-Q.

(a) If there has been any material default in the payment of principal, interest, a sinking or purchase fund installment, or any other material default not cured within 30 days, with respect to any indebtedness of the registrant or any of its significant subsidiaries exceeding 5 percent of the total assets of the registrant and its consolidated subsidiaries, identify the indebtedness and state the nature of the default. In the case of such a default in the payment of principal, interest or a sinking or purchase fund installment, state the amount of the default and the total arrearage on the date of filing this report.

Instruction. This paragraph refers only to events which have become defaults under the governing instruments, i.e., after the expiration of any period of grace and compliance with any notice requirements.

(b) If any material arrearage in the payment of dividends has occurred or if there has been any other material delinquency not cured within 30 days, with respect to any class of preferred stock of the registrant which is registered or which ranks prior to any class of registered securities, or with respect to any class of preferred stock of any significant subsidiary of the registrant, give the title of the class and state the nature of the arrearage or delinquency. In the case of an arrearage in the payment of dividends, state the amount and the total arrearage on the date of filing this report.

Instruction. Item 8 need not be answered as to any default or arrearage with respect to any class of securities all of which is held by, or for the account of, the registrant or its totally held subsidiaries.

Item 9. Approximate Number of Equity Security Holders.

[No change from former Item 7 of Form 10-K.]

Item 10. Submission of Matters to a Vote of Security Holders.

If any matter has been submitted to a vote of security holders, through the solicitation of proxies or otherwise, furnish the following information if not previously disclosed in a report on Form 10-Q:

(a) The date of the meeting and whether it was an annual or special meeting.

(b) If the meeting involved the election of directors, state the name of each director elected at the meeting and the name of each other director whose term of office as a director continued after the meeting.

(c) Briefly describe each other matter voted upon at the meeting and state the number of affirmative votes and the number of negative votes cast with respect to each such matter.

Instructions. 1. If any matter has been submitted to a vote of security holders otherwise than at a meeting of such security holders, corresponding information with respect to such submission shall be furnished. The solicitation of any authorization or consent (other than a proxy to vote at a stockholders' meeting) with respect to any matter shall be deemed a submission of such matter to a vote of security holders within the meaning of this item.

2. Paragraph (a) need be answered only if paragraph (b) or (c) is required to be answered.

3. Paragraph (b) need not be answered if (i) proxies for the meeting were solicited pursuant to Regulation 14 under the Act, (ii) there was no solicitation in opposition to the management's nominees as listed in the proxy statement, and (iii) all of such nominees were elected. If the registrant did not solicit proxies and the board of directors as previously reported to the Commission was re-elected in its entirety, a statement to that effect in answer to paragraph (b) will suffice as an answer thereto.

4. Paragraph (c) need not be answered as to procedural matters or as to the selection or approval of auditors.

5. If the registrant has published a report containing all of the information called for by the item, the item may be answered by a reference to the information contained in such report, provided copies of such report are filed as an exhibit to the report on this form.

Item 11. Executive Officers of Registrant.

[No change from former Item 8 of Form 10-K.]

Item 12. Indemnification of Directors and Officers.

[No change from former Item 9 of Form 10-K.]

Item 13. Financial Statements, Exhibits filed, and Reports on Form 8-K.

(a) List all of the following documents filed as a part of the report:

1. All financial statements.

2. All exhibits, including those incorporated by reference.

Instruction. Where any financial statement or exhibit is incorporated by reference, the incorporation by reference shall be set forth in the list required by this Item. See Rule 12b-23 [17 CFR 240.12b-23]

(b) Reports on Form 8-K. State whether any reports on Form 8-K have been filed during the last quarter of the period covered by this report, listing the items reported, any financial statements filed and the dates of any such reports.

PART II

[The items and references to item numbers within the items in Part II have been renumbered.]

Item. 14. [No change from former Item 11 of Form 10-K.]

Item 15. Directors of the Registrant.

NOTE.—Paragraph (c) of Item 15 also applies to executive officers of the registrant.

* * * * *

Instruction. 1. Instruction 2 to Item 11 shall also apply to this item.

[No change in remainder from former Item 12.]

Item 16. Remuneration of Directors and Officers.

* * * * *

Instructions. 1.-3. [No change from Instructions 1.-3. to paragraph (a) of former Item 13.]

4. Do not include remuneration paid to a partnership in which any director or officer was a partner, but see Item 18.

[No change in remainder from former Item 13.]

Item 17. Options Granted to Management to Purchase Securities.

Furnish the following information, in substantially the tabular form indicated, as to all options to purchase any securities from the registrant or any of its subsidiaries which were granted to or exercised by the following persons since the beginning of the fiscal year, and as to all options held by such persons as of the latest practicable date regardless of when such options were granted: (i) each director and officer named in answer to Item 16(a)(1), naming each such person; and (ii) all directors and officers of the registrant as a group, without naming them:

* * * * *

Instructions. 1.-2. No change from Instructions 1.-2. of former Item 14.]

3. (i) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed $10,000 for any officer or director named in answer to Item 16(a)(1) or $40,000 for all officers and directors as a group, this item need not be answered with respect to options granted to such person or group. (ii) Where the total market value on the dates of purchase of all securities purchased through the exercise of options during the period specified does not exceed $10,000 for any such person or $40,000 for such group, this item need not be answered with respect to options exercised by such person or group. (iii) Where the total market value as of the latest practicable date of the securities called for by all options held at such time does not exceed $10,000 for any such person or $40,000 for such group, this item need not be answered with respect to options held as of the specified date by such person or group.

[No change in remainder from former Item 14 of Form 10-K]

Item 18. Interest of Management and Others in Certain Transactions.

(a) [No change from paragraph (a) of former Item 15.]

(1) [No change from subsection (a)(1) of former Item 15.]

(2) Any security holder named in answer to Item 14(a).

(3) [No change from subsection (a)(3) of former Item 15.]

Instructions. 1. (No change from Instruction 1 to paragraph (a) of former Item 15.)

2. No information need be given in response to this item as to any remuneration or other transaction reported in response to Items 16 or 17, or as to any transaction with respect to which information may be omitted pursuant to Instruction 2 to Item 16(b), the instruction to Item 16(c), or Instruction 2 or 3 to paragraph (b) of this item.

3.-7. [No change from Instructions 3.-7. to paragraph (a) of former Item 15.]

(b) [No change from paragraph (b) of former Item 15.]

(c) [No change from paragraph (c) of former Item 15.]

(1) [No change from subsection (c)(1) of former Item 15.]

(2) Any security holder named in answer to Item 14(a).

[No change in remainder from former Item 15.]

SIGNATURES

[No change.]

INSTRUCTIONS AS TO FINANCIAL STATEMENTS

[No change.]

INSTRUCTIONS AS TO EXHIBITS

Subject to Rule 12b-32 regarding the incorporation of exhibits by reference, the following exhibits shall be filed as a part of the report:

A. Copies of all amendments or modifications, not previously filed, to all exhibits previously filed (or copies of such exhibits as amended or modified).

B. Copies of all contracts and other documents of a character required to be filed as an exhibit to an original registration statement on Form 10 which were executed or in effect during the fiscal year and not previously filed.

C. Copies of the exhibits called for by Instructions 3, 4(d) and 5 to Item 2.

D. Copies of all constituent instruments defining the rights of the holders of any new class of securities referred to in answer to Item 6(c).

E. Copies of the amendments to all constituent instruments and other documents described in answer to Item 7.

F. Copies of the text of any proposal described and copies of any published report furnished in response to Item 10.

8. Section 240.14a-101 is amended by amending Item 5 of Schedule 14A to read as follows:

§ 240.14a-101 Schedule 14A. Information required in proxy statement.

* * * * *

Item 5. Voting securities and principal holders thereof.

* * * * *

(e) If, to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the issuer has occurred since the beginning of its last fiscal year, state the name of the person(s) who acquired such control, the amount and the source of the consideration used by such person or persons; the basis of the control, the date and a description of the transaction(s), which resulted in the change of control and the percentage of voting securities of the issuers now beneficially owned directly or indirectly by the person(s) who acquired control; and the identity of the person(s) from whom control was assumed. If the source of all or any part of the consideration used is a loan made in the ordinary course of business by a bank as defined by Section 3(a)(6) of the Act, the identity of such bank shall be omitted provided a request for confidentiality has been made pursuant to Section 13 (d)(1)(B) of the Act by the person(s) who acquired control. In lieu thereof, the material shall indicate that the identity of the bank has been so omitted and filed separately with the Commission.

Instructions. 1. State the terms of any loans or pledges obtained by the new control group for the purpose of acquiring control, and the names of the lenders or pledgees.

2. Any arrangements or understandings among members of both the former and new control groups and their associates with respect to election of directors or other matters should be described.

(f) Describe any contractual arrangements, including any pledge of securities of the issuer, or any of its parents, known to the persons on whose behalf the solicitation is made, the operation of the terms of which may at a subsequent date result in a change in control of the issuer.

Instruction. Paragraph (f) does not require a description of ordinary default provisions contained in the charter, trust indentures or other governing instruments relating to securities of the issuer.

* * * * *

(Secs. 13, 14(a), 15(d), 23(a), 48 Stat. 894, 895, 901; sec. 203(a), 49 Stat. 704; secs. 3, 8, 49 Stat. 1377, 1379; secs. 4, 5, 6, 78 Stat. 569, 570-574; sec. 2, 82 Stat. 454; secs. 1, 2, 84 Stat. 1497; secs. 10, 18, 89 Stat. 119, 155 (15 U.S.C. 78m, 78n(a), 78o(d), 78w(a)); Secs. 12(e), 20(a), 49 Stat. 823, 833 (15 U.S.C. 79l (e), 79t(a)); Secs. 20(a), 38(a), 54 Stat. 822, 841 (15 U.S.C. 80a-20(a), 80a-37(a)).)

DATE OF EFFECTIVENESS

The amendments to Rules 13a-11 and 15d-11, to the Form 8-K, and to Schedule 14A shall be effective for events which occur subsequent to February 28, 1977. The amendments to Rules 13a-13 and 15d-13 and to Form 10-Q shall be effective for quarterly periods beginning after December 31, 1976. The amendments to the Form 10-K shall be effective for reports filed for periods beginning after March 31, 1976.

STATUTORY AUTHORITY FOR AMENDMENTS

The foregoing amendments are adopted pursuant to Sections 13, 14(a), 15(d) and 23(a) of the Securities Exchange Act of 1934, Sections 12(e) and 20(a) of the Public Utility Holding Company Act of 1935, and Sections 20(a) and 38(a) of the Investment Company Act of 1940. Pursuant to Section 23(a) of the Securities Exchange Act, the Commission has considered the effect that the proposed amendments would have on competition and has concluded that, to the extent the amendments impose burdens on competition, such burdens are necessary and appropriate in furtherance of the purposes of the securities laws.

By the Commission.

GEORGE A. FITZSIMMONS,
Secretary.

JANUARY 13, 1977.

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