

(i) *T* liabilities deemed assumed by *S* or the amount of liabilities to which the *T* assets are subject, and

(ii) the fair market value of any consideration not provided by *P* pursuant to the plan of reorganization.

(3) *Excess loss accounts.* Negative adjustments under this section may exceed *P*'s basis in its *S* or *T* stock. The resulting negative amount is *P*'s excess loss account in its *S* or *T* stock. See § 1.1502-19 for rules treating excess loss accounts as negative basis, and treating references to stock basis as including references to excess loss accounts.

(4) *Application of other rules of law.* The rules for this section are in addition to other rules of law. See § 1.1502-80(d) for the non-application of section 357(c) to *P*.

(5) *Examples.* The rules of this paragraph (b) are illustrated by the following examples. For purposes of these examples, *P*, *S*, and *T* are domestic corporations, *P* and *S* file consolidated returns, *P* owns all of the only class of *S* stock, the *P* stock exchanged in the transaction satisfies the requirements of the applicable triangular reorganization provisions, and the facts set forth the only corporate activity.

Example 1. Liabilities. (a) *Facts.* *T* has assets with an aggregate basis of \$60 and fair market value of \$100. *T*'s assets are subject to \$70 of liabilities. Pursuant to a plan, *P* forms *S* with \$5 of cash (which *S* retains), and *T* merges into *S*. In the merger, the *T* shareholders receive *P* stock worth \$30 in exchange for their *T* stock. The transaction is a reorganization to which sections 368 (a)(1)(A) and (a)(2)(D) apply.

(b) *Basis adjustment.* Under § 1.358-6, *P* adjusts its basis in the *S* stock as if *P* had acquired the *T* assets with a carryover basis under section 362 and transferred these assets to *S* in a transaction in which *P* determines its basis in the *S* stock under section 358. Under the rules of this section, the limitation described in § 1.358-6(c)(1)(ii) does not apply. Thus, *P* adjusts its basis in the *S* stock by -\$10 (the aggregate adjusted basis of *T*'s assets decreased by the amount of liabilities to which the *T* assets are subject). Consequently, immediately after the reorganization, *P* has an excess loss account of \$5 in its *S* stock.

Example 2. Consideration not provided by P. (a) *Facts.* *T* has assets with an aggregate basis of \$10 and fair market value of \$100 and no liabilities. *S* is an operating company with substantial assets that has been in existence for several years. *P* has a \$5 basis in its *S* stock. Pursuant to a plan, *T* merges into *S* and the *T* shareholders receive \$70 of *P* stock provided by *P* pursuant to the plan of reorganization and \$30 of cash provided by *S* in exchange for their *T* stock. The transaction is a reorganization to which sections 368 (a)(1)(A) and (a)(2)(D) apply.

(b) *Basis adjustment.* Under § 1.358-6, *P* adjusts its basis in the *S* stock as if *P* had acquired the *T* assets with a carryover basis

under section 362 and transferred these assets to *S* in a transaction in which *P* determines its basis in the *S* stock under section 358. Under the rules of this section, the limitation described in § 1.358-6(d)(2) does not apply. Thus, *P* adjusts its basis in the *S* stock by -\$20 (the aggregate adjusted basis of *T*'s assets decreased by the fair market value of the consideration provided by *S*). Consequently, immediately after the reorganization, *P* has an excess loss account of \$15 in its *S* stock.

(c) *Appreciated asset.* The facts are the same as in paragraph (a) of this *Example 2*, except that in the reorganization *S* provides an asset with a \$20 adjusted basis and \$30 fair market value instead of \$30 cash. The basis is adjusted in the same manner as in paragraph (b) of this *Example 2*. In addition, because *S* recognizes a \$10 gain from the asset under section 1001, *P*'s basis in its *S* stock is increased under § 1.1502-32(b) by *S*'s \$10 gain. Consequently, immediately after the reorganization, *P* has an excess loss account of \$5 in its *S* stock. (The results would be the same if the appreciated asset provided by *S* was *P* stock in which *S* recognized gain. See § 1.1032-2(c)).

Example 3. Reverse triangular merger. (a) *Facts.* *T* has assets with an aggregate basis of \$60 and fair market value of \$100. *T*'s assets are subject to \$70 of liabilities. *S* is an operating company with substantial assets that has been in existence for several years. *P* owns all of the only class of *S* stock. *P* has a \$5 basis in its *S* stock. Pursuant to a plan, *S* merges into *T* with *T* surviving. In the merger, the *T* shareholders receive *P* stock provided by *P* pursuant to the plan worth \$30 in exchange for their *T* stock. The transaction is a reorganization to which sections 368 (a)(1)(A) and (a)(2)(E) apply. Because *S* is a previously existing operating company with substantial assets, the transaction does not qualify as a reorganization under section 368(a)(1)(B).

(b) *Basis adjustment.* Under § 1.358-6, *P* adjusts its basis in the *S* stock as if *T* had merged into *S* in a forward triangular merger with *S* surviving. Thus, *P* adjusts its basis in the *S* stock as if *P* had acquired the *T* assets with a carryover basis under section 362 and transferred these assets to *S* in a transaction in which *P* determines its basis in the *S* stock under section 358. Under the rules of this section, the limitation described in § 1.358-6(c)(1)(ii) does not apply. Thus, *P* adjusts its basis in the *T* stock by -\$10 (the aggregate adjusted basis of *T*'s assets decreased by the amount of liabilities to which the *T* assets are subject). Consequently, immediately after the reorganization, *P* has an excess loss account of \$5 in its *T* stock.

(c) *Effective date.* This section applies to reorganizations occurring on or after [INSERT THE DAY THE FINAL REGULATIONS ARE PUBLISHED IN THE FEDERAL IN THE FEDERAL REGISTER].

Margaret Milner Richardson,

Commissioner of Internal Revenue.

[FR Doc. 94-31287 Filed 12-22-94; 8:45 am]

BILLING CODE 4830-01-U

DEPARTMENT OF THE INTERIOR

Minerals Management Service

30 CFR Chapter II

Meetings of the Federal Gas Valuation Negotiated Rulemaking Committee

AGENCY: Minerals Management Service, Interior.

ACTION: Notice of meetings.

SUMMARY: The Secretary of the Department of the Interior (Department) has established a Federal Gas Valuation Negotiated Rulemaking Committee (Committee) to develop specific recommendations with respect to Federal gas valuation under its responsibilities imposed by the Federal Oil and Gas Royalty Management Act of 1982, 30 U.S.C. 1701 *et seq.* (FOGRMA). The Department has determined that the establishment of this Committee is in the public interest and will assist the Agency in performing its duties under FOGRMA.

DATES: The Committee will meet on January 30, 1995, 10 a.m. to 5 p.m.; January 31, 1995, 8 a.m. to 5 p.m.; February 1, 1995, 8 a.m. to 5 p.m.; February 2, 1995, 8 a.m. to 5 p.m.; February 3, 1995, 8 a.m. to 12 p.m.

ADDRESSES: The meetings will be held at the Denver Federal Center, building 85, 6th Avenue and Kipling Streets, Lakewood, Colorado, 80225, telephone (303) 275-7200.

Written statements may be submitted to Ms. Deborah Gibbs Tschudy, Chief, Valuation and Standards Division, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS-3150, Denver, CO 80225-0165.

FOR FURTHER INFORMATION CONTACT: Ms. Deborah Gibbs Tschudy, Chief, Valuation and Standards Division, Minerals Management Service, Royalty Management Program, P.O. Box 25165, MS-3150, Denver, Colorado, 80225-0165, telephone number (303) 275-7200, fax number (303) 275-7227.

SUPPLEMENTARY INFORMATION: The location and dates of future meetings will be published in the Federal Register.

The meeting will be open to the public without advanced registration. Public attendance may be limited to the space available. Members of the public may make statements during the meeting, to the extent time permits, and file written statements with the Committee for its consideration.

Written statements should be submitted to the address listed above. Minutes of Committee meetings will be available for public inspection and

copying 10 days following each meeting at the same address. In addition, the materials received to date during the input sessions are available for inspection and copying at the same address.

Dated: December 16, 1994.

James W. Shaw,

Associate Director for Royalty Management.

[FR Doc. 94-31563 Filed 12-22-94; 8:45 am]

BILLING CODE 4310-MR-P

Office of Surface Mining Reclamation and Enforcement

30 CFR Part 773

RIN 1029-AB80

Notification and Permit Processing

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Proposed rule; extension of public comment.

SUMMARY: The Office of Surface Mining Reclamation and Enforcement (OSM) of the U.S. Department of the Interior (DOI) extends until February 27, 1995, the public comment period on the proposed rule published in the October 26, 1994, *Federal Register* (59 FR 53884). This will provide more time in which to comment on the proposed rule.

DATES: *Written Comments:* OSM will accept written comments on the proposed rule until 5:00 p.m. Eastern time on February 27, 1995.

ADDRESSES: *Written Comments:* Hand deliver to the Office of Surface Mining Reclamation and Enforcement, Administrative Record, Room 660, 800 North Capitol St., Washington, DC; or mail to the Office of Surface Mining Reclamation and Enforcement, Administrative Record, room 660 NC, 1951 Constitution Avenue NW., Washington, DC 20240.

FOR FURTHER INFORMATION CONTACT: Scott Boyce, Branch of Research and Technical Standards, Office of Surface Mining Reclamation and Enforcement, U.S. Department of the Interior, 1951 Constitution Avenue, NW., room 640 NC, Washington, DC 20240; telephone (202) 343-3839.

SUPPLEMENTARY INFORMATION: On October 26, 1994 (59 FR 53884), OSM published a proposed rule which would require the regulatory authority provide to each person who was a party to an informal conference its written findings granting, requiring modification of, or denying a permit application. The rulemaking would also require both that an approved permit contain in its

permit area only lands for which the application has established a right-to-enter and commence surface coal mining and reclamation operations, and that compliance with an approved permit be based on activities to be conducted solely upon such lands.

The comment period for the proposed rule was scheduled to close on December 27, 1994. However, an extension was requested in order to provide more time in which to comment on the proposed rule. Therefore, OSM is extending the comment period. Comments will now be accepted until 5 p.m. local time on February 27, 1995.

Dated: December 20, 1994.

Brent Wahlquist,

Assistant Director, Reclamation and Regulatory Policy.

[FR Doc. 94-31598 Filed 12-22-94; 8:45 am]

BILLING CODE 4310-05-M

FEDERAL COMMUNICATIONS COMMISSION

47 CFR Part 73

[MM Docket No. 94-146, RM-8557]

Radio Broadcasting Services; Houston, AK

AGENCY: Federal Communications Commission.

ACTION: Proposed rule.

SUMMARY: This document requests comments on a petition for rule making filed on behalf of Evangelistic Alaska Missionary Fellowship, Inc. requesting the allotment of Channel 242A to Houston, Alaska, as that community's third local FM service. Coordinates used for this proposal are North Latitude 61-38-01 and West Longitude 149-50-28.

DATES: *Comments must be filed on or before February 6, 1995, and reply comments on or before February 21, 1995.*

ADDRESSES: Secretary, Federal Communications Commission, Washington, D.C. 20554. In addition to filing comments with the FCC, interested parties should serve the petitioner's counsel, as follows: Edward W. Hummers, Jr. and Frank R. Jazzo, Esqs., Fletcher, Heald & Hildreth, P.L.C., 11th Floor, 1300 North 17th Street, Rosslyn, VA 22209.

FOR FURTHER INFORMATION CONTACT: Nancy Joyner, Mass Media Bureau, (202) 634-6530.

SUPPLEMENTARY INFORMATION: This is a synopsis of the Commission's *Notice of Proposed Rule Making*, MM Docket No. 94-146, adopted December 7, 1994, and

released December 16, 1994. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC's Reference Center (Room 239), 1919 M Street, NW, Washington, D.C. The complete text of this decision may also be purchased from the Commission's copy contractors, International Transcription Service, Inc., (202) 857-3800, 2100 M Street, NW, Suite 140, Washington, D.C. 20037.

Provisions of the Regulatory Flexibility Act of 1980 do not apply to this proceeding.

Members of the public should note that from the time a Notice of Proposed Rule Making is issued until the matter is no longer subject to Commission consideration or court review, all *ex parte* contacts are prohibited in Commission proceedings, such as this one, which involve channel allotments. See 47 CFR 1.1204(b) for rules governing permissible *ex parte* contacts.

For information regarding proper filing procedures for comments, See 47 CFR 1.415 and 1.420.

List of Subjects in 47 CFR Part 73

Radio broadcasting.

Federal Communications Commission.

John A. Karousos,

Chief, Allocations Branch, Policy and Rules Division, Mass Media Bureau.

[FR Doc. 94-31516 Filed 12-22-94; 8:45 am]

BILLING CODE 6712-01-F

DEPARTMENT OF DEFENSE

48 CFR Parts 210, 215, and 252

Defense Federal Acquisition Regulation Supplement; Specifications and Standards

AGENCY: Department of Defense (DoD).

ACTION: Proposed rule with request for comments.

SUMMARY: The Director of Defense Procurement is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to reflect DoD's preference for the use of performance specifications and non-Government standards.

DATES: Comments on the proposed rule should be submitted in writing to the address shown below on or before January 23, 1995, to be considered in the formulation of the final rule.

ADDRESSES: Interested parties should submit written comments to: Defense Acquisition Regulations Council, Attn: Ms. Michele Peterson, PDUSD(A&T)DP(DAR), IMD 3D139,