Pipestone, MN, Pipestone Muni, Takeoff Minimums and Obstacle DP, Orig
Dayton, OH, James M Cox Dayton Intl, ILS OR LOC RWY 24R, Amdt 7
Bend, OR, Bend Muni, RNAV (GPS) Y RWY 16, Amdt 1A
Bend, OR, Bend Muni, RNAV (GPS) Z RWY 16, Orig
Bend, OR, Bend Muni, RNAV (GPS) RWY 34, Orig
Hartsville, SC, Hartsville Regional, Takeoff Minimums and Obstacle DP, Orig
Bremerton, WA, Bremerton National, ILS OR LOC RWY 19, Amdt 15
Bremerton, WA, Bremerton National, RNAV (GPS) RWY 1, Orig
Bremerton, WA, Bremerton National, RNAV (GPS) RWY 19, Orig
Bremerton, WA, Bremerton National, GPS RWY 1, Amdt 1A, (CANCELLED)
Bremerton, WA, Bremerton National, Takeoff Minimums and Obstacle DP, Amdt 3
Seattle, WA, Boeing Field/King County Intl, RNAV (GPS) Y RWY 13R, Orig-B
Rice Lake, WI, Rice Lake Regional-Carl's Field, RNAV (GPS) RWY 19, Amdt 2
Wausau, WI, Wausau Downtown, RNAV (GPS) RWY 12, Orig
Wausau, WI, Wausau Downtown, VOR/DME OR GPS RWY 12, Amdt 3, (CANCELLED)

Effective 13 MAR 2008

Lynchburg, VA, Lynchburg Rgnl/Preston Glenn Fld, Takeoff Minimums and Obstacle DP, Amdt 8

Effective 10 APR 2008

Ionia, MI, Ionia County, VOR-A, Amdt 1

[FR Doc. E7–24992 Filed 12–28–07; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 110]

Staff Accounting Bulletin No. 110

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Staff Accounting Bulletin.

SUMMARY: This staff accounting bulletin (''SAB'') expresses the views of the staff regarding the use of a ''simplified'' method, as discussed in SAB No. 107 (''SAB 107''), in developing an estimate of expected term of ''plain vanilla'' share options in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment.* In particular, the staff indicated in SAB 107 that it will accept a company's election to use the simplified method, regardless of whether the company has sufficient information to make more refined estimates of expected term. At the time SAB 107 was issued, the staff believed that more detailed external information about employee exercise behavior (*e.g.*, employee exercise patterns by industry and/or other categories of companies) would, over time, become readily available to companies. Therefore, the staff stated in SAB 107 that it would not expect a company to use the simplified method for share option grants after December 31, 2007. The staff understands that such detailed information about employee exercise behavior may not be widely available by December 31, 2007. Accordingly, the staff will continue to accept, under certain circumstances, the use of the simplified method beyond December 31, 2007.

DATES: Effective December 21, 2007.

FOR FURTHER INFORMATION CONTACT: Sandie E. Kim or Mark J. Barrysmith, Office of the Chief Accountant (202) 551–5300, or Craig C. Olinger, Division of Corporation Finance (202) 551–3400, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission's official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws.

Dated: December 21, 2007.

Florence Harmon,

Deputy Secretary.

PART 211—[AMENDED]

■ Accordingly, Part 211 of Title 17 of the Code of Federal Regulations is amended by adding Staff Accounting Bulletin No. 110 to the table found in Subpart B.

Staff Accounting Bulletin No. 110

Effective January 1, 2008, the staff hereby amends and replaces Question 6 of Section D.2 of Topic 14, *Share-Based Payment*, of the Staff Accounting Bulletin Series. Question 6 of Topic 14: D.2 (as amended) expresses the views of the staff regarding the use of a ''simplified'' method in developing an estimate of expected term of ''plain vanilla'' share options in accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), *Share-Based Payment.*

Note: The text of SAB 110 will not appear in the Code of Federal Regulations.

TOPIC 14: SHARE-BASED PAYMENT

* * * * *

D. Certain Assumptions Used in Valuation Methods

* * * * *

2. Expected Term

* * * * *

Facts: Company E grants equity share options to its employees that have the following basic characteristics: [75]

- The share options are granted at-the-money;
- Exercisability is conditional only on performing service through the vesting date; [76]
- If an employee terminates service prior to vesting, the employee would forfeit the share options;
- If an employee terminates service after vesting, the employee would have a limited time to exercise the share options (typically 30–90 days); and
- The share options are nontransferable and nonhedgeable.

Company E utilizes the Black-Scholes-Merton closed-form model for valuing its employee share options.

Question 6: As share options with these ''plain vanilla'' characteristics have been granted in significant quantities by many companies in the past, is the staff aware of any ''simple'' methodologies that can be used to estimate expected term?

Interpretive Response: As noted above, the staff understands that an entity that is unable to rely on its historical exercise data may find that certain alternative information, such as exercise data relating to employees of other companies, is not easily obtainable. As such, some companies may encounter difficulties in making a refined estimate of expected term. Accordingly, if a company concludes that its historical share option exercise experience does not provide a reasonable basis upon which to estimate expected term, the staff will accept the following ''simplified'' method for ''plain vanilla'' options consistent with those in the fact set above: expected term = ((vesting term + original contractual term) / 2). Assuming a ten year original contractual term and graded vesting over four years (25% of the options in each grant vest annually) for the share options in the fact set described above, the resultant expected term would be 6.25 years.[77] Academic

[75] Employee share options with these features are sometimes referred to as ''plain vanilla'' options.

[76] 76 In this fact pattern the requisite service period equals the vesting period.

[77] Calculated as [[[1 year vesting term (for the first 25% vested) plus 2 year vesting term (for the

research on the exercise of options issued to executives provides some general support for outcomes that would be produced by the application of this method.[78]

Examples of situations in which the staff believes that it may be appropriate to use this simplified method include the following:

- A company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term due to the limited period of time its equity shares have been publicly traded.
- A company significantly changes the terms of its share option grants or the types of employees that receive share option grants such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term.
- A company has or expects to have significant structural changes in its business such that its historical exercise data may no longer provide a reasonable basis upon which to estimate expected term.

The staff understands that a company may have sufficient historical exercise data for some of its share option grants but not for others. In such cases, the staff will accept the use of the simplified method for only some but not all share option grants. The staff also does not believe that it is necessary for a company to consider using a lattice model before it decides that it is eligible to use this simplified method. Further, the staff will not object to the use of this simplified method in periods prior to the time a company's equity shares are traded in a public market.

If a company uses this simplified method, the company should disclose in the notes to its financial statements the use of the method, the reason why the method was used, the types of share option grants for which the method was used if the method was not used for all share option grants, and the periods for which the method was used if the method was not used in all periods. Companies that have sufficient historical share option exercise experience upon which to estimate expected term may not apply this simplified method. In addition, this simplified method is not intended to be applied as a benchmark in evaluating the appropriateness of more refined estimates of expected term.

Also, as noted above in Question 5, the staff believes that more detailed external information about exercise behavior will, over time, become readily available to companies. As such, the staff does not expect that such a simplified method would be used for share option grants when more relevant detailed information becomes widely available.

[FR Doc. E7–25178 Filed 12–28–07; 8:45 am]
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second 25% vested) plus 3 year vesting term (for the third 25% vested) plus 4 year vesting term (for the last 25% vested)] divided by 4 total years of vesting] plus 10 year contractual life] divided by 2; that is, (((1+2+3+4)/4) + 10) /2 = 6.25 years.

[78] J.N. Carpenter, ''The exercise and valuation of executive stock options,'' *Journal of Financial Economics*, 1998, pp. 127–158 studies a sample of 40 NYSE and AMEX firms over the period 1979–1994 with share option terms reasonably consistent to the terms presented in the fact set and example. The mean time to exercise after grant was 5.83 years and the median was 6.08 years. The ''mean time to exercise'' is shorter than expected term since the study's sample included only exercised options. Other research on executive options includes (but is not limited to) J. Carr Bettis; John M. Bizjak; and Michael L. Lemmon, ''Exercise behavior, valuation, and the incentive effects of employee stock options,'' forthcoming in the *Journal of Financial Economics*. One of the few studies on nonexecutive employee options the staff is aware of is S. Huddart, ''Patterns of stock option exercise in the United States,'' in: J. Carpenter and D. Yermack, eds., *Executive Compensation and Shareholder Value: Theory and Evidence* (Kluwer, Boston, MA, 1999), pp. 115–142.

DEPARTMENT OF STATE

22 CFR Parts 22 and 51

[Public Notice: 6044]

Card Format Passport; Changes to Passport Fee Schedule

AGENCY: Department of State.

ACTION: Final rule.

SUMMARY: This rule finalizes the proposed rule published on October 17, 2006, and implements certain provisions of Section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). The IRTPA provides that United States citizens and nonimmigrant aliens may enter the United States only with passports or such alternative documents as the Secretary of Homeland Security may designate as satisfactorily establishing identity and citizenship. The statute requires that the Secretary of Homeland Security, in consultation with the Secretary of State, develop and implement a plan to require virtually all travelers entering the United States to present a passport or other document or combination of documents that are deemed by the Secretary of Homeland Security to be sufficient to denote identity and citizenship. The legislation also requires that the Department of Homeland Security (DHS) and the Department of State seek to facilitate the frequent travel of those living in border communities. This final rule takes into account the amendment to section 7209 by the 2007 Department of Homeland Security Appropriations Act calling for the availability of a passport card for land and sea travel between the United States and Canada, Mexico, the Caribbean and Bermuda.

The Administration's proposal to address the remainder of the legislative requirements in section 7209, called the Western Hemisphere Travel Initiative (WHTI), is being addressed in separate rulemakings.

DATES: This rule is effective February 1, 2008.

FOR FURTHER INFORMATION CONTACT: Consuelo Pachon, Office of Legal Affairs and Law Enforcement Liaison, Bureau of Consular Affairs, 2100 Pennsylvania Avenue, NW., Suite 3000, Washington, DC, telephone number 202–663–2431.

SUPPLEMENTARY INFORMATION: The Department of State published an Advanced Notice of Proposed Rule Making (ANPRM) in September 2005, which received approximately 2,000 comments. Many of these comments from border resident communities expressed a desire for a less expensive and more portable alternative to the traditional passport book. To be responsive to the needs and concerns of the border communities and to facilitate the travel of border community residents, consistent with Section 7209, the Department of State issued a Notice of Proposed Rulemaking (NPRM) in October 2006, at 71 FR 60928, proposing to develop and issue a card format passport as a less expensive and more portable alternative to the passport book. The comment period closed on January 7, 2007. This final rule implements provisions of Section 7209 of the IRTPA, Public Law 108–458, 118 Stat. 3638, 3823 (Dec. 17, 2004), as amended. The Administration's proposal to address the remainder of the legislative requirements of section 7209 is being addressed in separate rulemakings.

The rule was discussed in detail in Public Notice 5558, as were the Department of State's reasons for making the proposals. The Department of State is now promulgating a final rule with limited changes to clarify the proposed rule. Primarily, the final rule explains that the passport card does not need to be signed in order to be valid, whereas the passport book requires a signature to be valid. In addition, it makes clear that those requesting and eligible for a no-fee passport will receive a passport in book form only. The new Passport Card charges are summarized as follows: