

membership interests but it is not reportable because two or more separately controlled businesses are not being contributed, as "A" controlled both businesses before the transaction.

c. "B" contributes a business, "A" contributes cash, and their interests change so that "A" has 59 percent and "B" has 41 percent. This is also a new formation. "A" will file to acquire the business being contributed by "B."

d. "B" contributes a business and the membership interests change so that "B" has 60 percent and "A" has 40 percent. This is a new formation, and "B" would file to acquire the business contributed by the LLC. "A," as the ultimate parent entity of the existing LLC, would file as the acquired person.

e. "C" contributes assets not constituting a business and the percentage interests are adjusted so that "A" has 50 percent, "B" has 30 percent, and "C" has 20 percent. This is not a new formation because the assets being contributed are not a business. "A," as ultimate parent entity of the LLC, will file to acquire these assets from "C."

4. "A" and "B" form a new LLC, to which "A" will contribute its widget business and "B" will contribute cash for operating capital. This formation would not be reportable because two previously separate businesses are not being contributed to the LLC.

5. "A," "B," and "C" form a 60-20-20 LLC to which "A" contributes cash and receives a 60 percent membership interest and "B" and "C" each contribute an operating unit for a 20 percent interest. This is a kind of a consolidation of "B's" and "C's" operating units into the new LLC and "A" will control the LLC. There are two reportable transactions (assuming the size criteria are met and no exemption applies): "A" acquiring the operating unit contributed by "B," and "A" acquiring the operating unit contributed by "C".

6. In year 1, "A," "B," and "C" form a new LLC to which each contributes a business and takes back a one-third membership interest. In year 4, the LLC acquires all the voting securities of another business from "D" in exchange for certain assets not constituting a business. This acquisition would not be analyzed as the formation of a new LLC because no member's percentage interest changes as a result of the transaction. Rather, the LLC would be viewed as acquiring the voting securities of the new business from "D." This transaction will be reportable if the size criteria are met and no exemption applies. "D" will, of course, have to analyze its acquisition of assets from the LLC to determine if it is also reportable.

7. "A" proposes to consolidate its widget business, which it has conducted in two subsidiaries and a division, into a newly-formed LLC in which it will hold a 60 percent membership interest. This would not be reportable because, although separate businesses are being combined, they were not under separate control prior to the transaction.

8. "A," "B," and "C" form a new LLC in which "A" will have a 60 percent interest and "B" and "C" each will have 20 percent interests. "A," a large, international pharmaceutical company, contributes \$100 million in cash and the assets of a pharmaceutical product which is currently on the market. This pharmaceutical product line constitutes a business. "B" contributes licenses to several patents which it will also continue to use to manufacture various drugs. "C" will contribute licenses which are exclusive even against itself for several drugs which are still at the testing stage and which have never been marketed. With a 60 percent interest, "A" will control the LLC. Since the licenses "B" will contribute are not exclusive as against it, they do not constitute a business. However, the licenses being contributed by "C" do constitute a business, even though they have not generated any revenue. "A" has a potential reporting obligation for the formation of this LLC for acquiring assets from "C." This formation combines two pre-existing, separately controlled businesses in an LLC which "A" will control.

9. "A" and "B" are both regional grocery store chains which do their data processing in-house. "A's" data processing unit does work only for "A" and "B's" only for "B." "A" and "B" decide to contribute the assets used in their data processing operations to a new jointly-controlled LLC which will provide data processing services to "A" "B." Assume the size tests are met. This would not be reportable because the assets used to provide such management and administrative support services do not constitute businesses. Cf § 802.1(d)(4) of the rules and Examples 10 and 11, 16 CFR 802.1(d)(4). This would be the case even if the new LLC intends to begin offering data processing services to third parties, since this would be beginning a new business rather than uniting existing businesses. Note, however, that the result would be different if "A" and "B" had used their equipment to provide any data processing services to others prior to contributing it to the new LLC, for then each would be contributing an existing business.

10. In year 1, "A," "B," and "C" form a new LLC to which each contributes a

business in exchange for a one-third interest. This formation is not reportable because no member controls the LLC. Suppose that in year 2 "A" sells additional assets to the LLC for cash. This transaction is not analyzed as a new formation under this Formal Interpretation. However, the LLC has a potential filing obligation as the acquiring person of those assets and "A" as the acquired person. Note that it is irrelevant whether the assets sold by "A" in year 2 constitute a business. *Note also that if assets not constituting a business are acquired by an LLC, even if the percentage membership interests change in the transaction, this is not analyzed as the formation of a new LLC, either, but as an acquisition by the LLC (or its post-acquisition ultimate parent entity).*

Benjamin I. Berman,

Acting Secretary.

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GENERAL SERVICES ADMINISTRATION

[GSA Bulletin FPMR G-202]

Aviation, Transportation, and Motor Vehicles

To: Heads of Federal agencies

Subject: Eliminating the Use of Standard Form (SF) 1169, U.S. Government Transportation Request (GTR)

1. *What is the purpose of this bulletin?* This bulletin notifies Federal agencies of the proposed elimination of Standard Form (SF) 1169, U.S. Government Transportation Request (GTR).

2. *When does this bulletin expire?* This bulletin will remain in effect until specifically canceled.

3. *What is the background?*

a. Currently, Federal Property Management Regulations (FPMR) (41 CFR 101-41) require that SF 1169 be used to procure all passenger transportation services. For many years, the GTR has been recognized as the primary source document required to obtain passenger transportation services payable by the U.S. Government.

b. As we enter the 21st century, innovative ideas and methods are being applied to change the way the Government transacts its business. The General Services Administration (GSA) has already successfully:

- (1) Implemented simplified travel regulations,
- (2) Reduced the costs of administering travel programs, and

(3) Employed the use of a Government travel card to pay for travel expenses to reduce the Government's cash flow.

c. GSA is issuing the guidelines contained in this bulletin to inform agencies that, although a final decision has not been made, SF 1169 may become obsolete.

d. GSA's final review is anticipated by September 30, 2000.

e. Final action is anticipated early in the calendar year 2001.

4. *What are the guidelines?* To continue on the road of improvement, Federal agencies are encouraged to:

a. Focus attention on eliminating outdated methods of payment for passenger transportation services by adopting such payment methods as:

(1) Direct centrally billed accounts arranged through the Government travel card program,

(2) Direct charge to an employee's individual Government travel card, and

(3) Use of electronic fund payments.

b. Seek innovative ideas for ways to:

(1) Pay for passenger transportation services, and

(2) Eliminate the use of the GTR to the maximum extent possible.

5. *Why should the GTR be eliminated?* The GTR should be eliminated because:

a. Most travelers are not familiar with the form and process,

b. It is an accountable form and must be controlled,

c. The administrative burden of reconciling charges, unused tickets, and refund applications is significant,

d. The form and the process are outdated, and

e. There are better and more efficient ways for the Government to pay for commercial passenger transportation services.

6. *Why is elimination of SF 1169 in the interest of the Government?* If agencies can and will adopt best business practices for the payment of passenger transportation services, the Government can eliminate a significant Policy, General Services Administration, Washington, DC 20405; telephone, (202) 501-0483; e-mail, jim.harte@gsa.gov.

Dated: June 22, 1999.

Becky Rhodes,

Acting Associate Administrator, Office of Governmentwide Policy.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Statement of Organization, Functions and Delegations of Authority; Program Support Center

Part P (Program Support Center) of the Statement of Organization, Functions and Delegations of Authority for the Department of Health and Human Services (60 FR 51480, October 2, 1995 as amended most recently at 64 FR 9996, March 1, 1999) is amended to reflect changes in Chapter PB within Part P, Program Support Center, Department of Health and Human Services. The Program Support Center is reorganizing and realigning the division level structure of the *Human Resources Service*, specifically the *Training and Career Development Division*. The *Training and Career Development Division* is being abolished and its functions are being realigned within the *Division of Personnel Operations—Parklawn* and the *Division of Personnel Operations—Switzer*.

Program Support Center

Under *Part P, Section P-20, Functions*, change the following: Under *Chapter PB, Human Resources Service (PB)*, delete the title and functional statement for the *Training and Career Development Division (PBO)* in its entirety.

Under the heading *Division of Personnel Operations—Parklawn (PBS)*, add the following new item after item (8): "(9) Administers comprehensive training and career development services for the Program Support Center, and other external customers."

Under the heading *Division of Personnel Operations—Switzer (PBT)*, add the following new item after item (11): "(12) Administers comprehensive training and career development services for the Office of the Secretary, the Office of the Inspector General, the Administration on Aging, and other external customers."

Dated: June 18, 1999.

Lynnda M. Regan,

Director, Program Support Center.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

[Program Announcement 99129]

Enhanced Surveillance for Newly Vaccine Preventable Diseases; Notice of Availability of Funds

A. Purpose

The Centers for Disease Control and Prevention (CDC) announces the availability of fiscal year (FY) 1999 funds for a cooperative agreement program for a New Vaccine Surveillance Network (NVSN). This program will compliment existing local, State, and national surveillance efforts and will facilitate research on issues related to new vaccine introduction and impact. This program addresses the "Healthy People 2000" priority area, Immunization and Infectious Diseases. The purpose of the program is to create a surveillance network that can provide surveillance and data collection on new vaccine use and impact through enhanced surveillance, applied epidemiologic research, and investigator initiated studies to investigate the impact of new vaccines on the overall vaccination program.

B. Eligible Applicants

Applications may be submitted by public and private nonprofit organizations and by governments and their agencies; that is, universities, colleges, research institutions, hospitals, other public and private nonprofit organizations, State and local governments or their bona fide agents, and federally recognized Indian tribal governments, Indian tribes, or Indian tribal organizations.

Note: Pub. L. 104-65 states that an organization described in section 501(c)(4) of the Internal Revenue Code of 1986 that engages in lobbying activities is not eligible to receive Federal funds constituting an award, grant, cooperative agreement, contract, loan, or any other form.

C. Availability of Funds

Approximately \$900,000 is available in FY 1999 to fund two awards of approximately \$450,000 each. It is expected that the awards will begin on or about September 30, 1999, and will be made for a 12-month budget period within a project period of up to five years. Funding estimates may change.

Continuation awards within an approved project period will be made on the basis of satisfactory progress as evidenced by required reports and the availability of funds.