

at (202) 418-7233 (TTY). Persons requesting accommodations for other physical disabilities should contact Joy Alford immediately at (202) 418-0694 or via e-mail at jalford@fcc.gov. The public may submit written comments to the NCC's Designated Federal Officer before the meeting.

Additional information about the NCC and NCC-related matters can be found on the NCC website located at: <http://www.fcc.gov/wtb/publicsafety/ncc.html>.

Federal Communications Commission.

Jeanne Kowalski,

Deputy Chief, Public Safety and Private Wireless Division, Wireless Telecommunications Bureau.

[FR Doc. 99-33113 Filed 12-21-99; 8:45 am]

BILLING CODE 6712-01-U

FEDERAL COMMUNICATIONS COMMISSION

[DA 99-2674]

Responsible Accounting Officer: Re: Auditor Independence and Objectivity

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: This document discusses the importance of independence and objectivity in the performance of audit work required by the Commission and adopts, as modified for Commission purposes, *Standard No. 1* of the Independence Standards Board, which requires auditors to disclose and discuss potential independence problems.

DATES: May 22, 2000.

ADDRESSES: Federal Communications Commission, 445-12th Street, SW, TW-A325, Washington, DC 20554.

FOR FURTHER INFORMATION CONTACT: Mark Stone, Accounting Safeguards Division, Common Carrier Bureau, (202) 418-0816.

SUPPLEMENTARY INFORMATION: This Notice, was adopted and released on December 1, 1999. The full text of this Commission decision is available for inspection and copying during normal business hours in the FCC Reference Center (Room CY-A257), 445 12th Street NW, Washington, DC 20554. The complete text may also be purchased from the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, Washington, DC 20036, telephone (202) 857-3800.

Summary of Responsible Accounting Officer Letter

I. Introduction

The Commission relies on outside auditors to verify carrier compliance with a variety of Commission rules. For this to be effective, the Commission needs to be confident that the auditors are acting independently and that the opinions expressed by the auditors are objective and unbiased. This Responsible Accounting Officer (RAO) letter discusses the importance of independence and objectivity in the performance of audit work required by the Commission and adopts, as modified for Commission purposes, *Standard No. 1* of the Independence Standards Board, which requires auditors to disclose and discuss potential independence problems.

II. Background

In the *Joint Cost Order*, adopted in 1988, 53 FR 49320 (December 7, 1988), the Commission required large local exchange carriers to obtain independent audits to verify that their systems for allocating costs between regulated and nonregulated activities accurately reflected the procedures set forth in their cost allocation manuals and application of the Commission's rules. The Commission expressed concern in the *Joint Cost Order* that independence problems might arise, but the Commission declined to choose the independent auditors for the carriers, instead relying on the auditors' standards of professional conduct to mitigate its concerns. The Commission stated that it would review the auditors' work and "take appropriate corrective action if [it had] reason to believe that a particular firm has not performed its task in an objective and competent manner." Since that initial requirement was adopted in 1988, the Commission has added many other instances in which independent audits are relied upon to assure compliance with its rules.

Auditors are governed by standards of professional conduct that require them to remain objective toward and independent of the audited company. Those standards emphasize independence and objectivity in both fact and appearance, reflecting the practical view that, even if independent in fact, auditors should avoid even the appearance of bias so that those who rely on the results of their audits can be confident in their work.

Consulting and advocacy by accounting firms has increased substantially in recent years. In many instances, carriers use the same

accounting firms to advocate positions on issues before the Commission that they engage to perform independent audits. Advocacy or support on behalf of a carrier concerning issues before the Commission, particularly with respect to auditing or accounting matters, could raise concerns and questions about the independence and objectivity of the auditors.

III. Discussion

To address the independence implications for the new consulting and advocacy services provided by auditors, the Securities and Exchange Commission and the American Institute of Certified Public Accountants recently established the Independence Standards Board (ISB). The initial standard of the ISB, *Standard No. 1—Independence Discussions with Audit Committees*, requires the following:

At least annually, independent auditors shall:

(a) Disclose to the audit committee (or the board of directors if there is no audit committee), in writing, all relationships between the auditor and its related entities and the company and its related entities that in the auditor's professional judgment may reasonably be thought to bear on independence;

(b) Confirm in writing that in its professional judgment it is independent of the company within the meaning of the Securities Acts; and

(c) Discuss the auditor's independence with the audit committee.

We believe that *Standard No. 1* can be adapted to address in part the Commission's concern about auditor independence. The Commission's concern that audits be performed with independence and objectivity mirror the concern of audit committees that are responsible for engaging independent auditors for corporations. Therefore we establish the following standard based on ISB's *Standard No. 1*. For independent audits performed pursuant to Part 32 and Sections 64.901 *et seq.* of the Commission's rules, the auditor shall at least annually:

(a) Disclose to the Accounting Safeguards Division (ASD) of the Common Carrier Bureau in writing all relationships between the auditor and its related entities and the carrier and its related entities that in the auditor's professional judgment may reasonably be thought to bear on independence;

(b) Confirm in writing to AS that in its professional judgment it is independent of the carrier; and

(c) Discuss the auditor's independence with ASD.

Creation of the Independence Standards Board is an encouraging sign

of the profession's desire to preserve the independence and objectivity of auditors. Although adoption of *Standard No. 1* alone may not be enough to satisfy the Commission's concerns, it should lead to a frank and open dialogue that will benefit both the Commission and the auditors.

Because items in this RAO letter pertain to the collection of information, Office of Management and Budget (OMB) approval of the proposed collection is required by the Paperwork Reduction Act of 1995. Under the Paperwork Reduction Act, members of the public are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor a collection, unless the information collection contains a currently valid OMB control number. Accordingly, independent auditors will not be required to comply with this RAO until OMB has given such approval. ASD will notify the public when OMB has approved the proposed information collection.

This letter is issued pursuant to authority delegated under Section 0.291 of the Commission's rules, 47 CFR 0.291. Applications for review under Section 1.115 of the Commission's rules, 47 CFR 1.115, must be filed within 30 days of the date of this letter. See 47 CFR 1.4(b)(2).

Federal Communications Commission.

Kenneth P. Moran,

*Chief, Accounting Safeguards Division,
Common Carrier Bureau.*

[FR Doc. 99-33114 Filed 12-21-99; 8:45 am]

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FEDERAL RESERVE SYSTEM

Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments

must be received not later than January 6, 2000.

A. Federal Reserve Bank of Dallas
(W. Arthur Tribble, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. *Fellows Family Limited Partnership*, Ruidoso, New Mexico; to retain voting shares of First Alamogordo Bancorp., Nevada, Reno, Nevada, and thereby indirectly retain voting shares of First National Bank, Alamogordo, New Mexico, and First National Bank, Ruidoso, New Mexico.

Board of Governors of the Federal Reserve System, December 17, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-33193 Filed 12-21-99; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 14, 2000.

A. Federal Reserve Bank of St. Louis
(Randall C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63102-2034:

1. *Old National Bancorp.*, Evansville, Indiana; to acquire 100 percent of the voting shares of Heritage Financial Services, Inc., Clarksville, Tennessee, and thereby indirectly acquire Heritage Bank, Clarksville, Tennessee.

2. *Old National Bancorp.*, Evansville, Indiana; to acquire 100 percent of the voting shares of ANB Corporation, Muncie, Indiana, and thereby indirectly acquire American National Bank and Trust Company of Muncie, Muncie, Indiana; Peoples Loan & Trust Bank, Winchester, Indiana; and Farmers State Bank of Union City, Ohio, Union City, Ohio.

Board of Governors of the Federal Reserve System, December 16, 1999.

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-33096 Filed 12-21-99; 8:45 am]

BILLING CODE 6210-01-F

FEDERAL RESERVE SYSTEM

Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 18, 2000.

A. Federal Reserve Bank of Atlanta
(Cynthia Goodwin, Vice President) 104