

Kentucky (a group acting in concert) to acquire an aggregate 50 percent of the voting shares on a pro forma basis of Ohio County Bancshares, Inc., Beaver Dam, Kentucky, and thereby indirectly acquire Beaver Dam Deposit Bank, Beaver Dam, Kentucky.

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

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-6826 Filed 3-19-99; 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. 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 April 16, 1999.

A. Federal Reserve Bank of Richmond (A. Linwood Gill III, Assistant Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. New Commerce Bancorp, Greenville, South Carolina; to become a bank holding company by acquiring 100 percent of the voting shares of New Commerce Bank, N.A., Simpsonville, South Carolina (in organization).

B. Federal Reserve Bank of St. Louis (Randall C. Sumner, Vice President) 411

Locust Street, St. Louis, Missouri 63102-2034:

1. Rich Land Bancorp, Inc., Olney, Illinois; to acquire 100 percent of the voting shares of Cisne State Bank, Cisne, Illinois.

C. Federal Reserve Bank of Minneapolis (JoAnne F. Lewellen, Assistant Vice President) 90 Hennepin Avenue, P.O. Box 291, Minneapolis, Minnesota 55480-0291:

1. Ideal Bancshares, Inc., West Fargo, North Dakota; to become a bank holding company by acquiring 100 percent of the voting shares of First State Bank of Goodrich, Goodrich, North Dakota.

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

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-6827 Filed 3-19-99; 8:45 am]

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FEDERAL RESERVE SYSTEM

Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than April 5, 1999.

A. Federal Reserve Bank of New York (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045-0001:

1. BankBoston Corporation, Boston, Massachusetts; The Bank of New York

Company, Inc., New York, New York; The Chase Manhattan Corporation, New York, New York; Comerica Incorporated, Detroit, Michigan; First Union Corporation, Charlotte, North Carolina; Fleet Financial Group, Inc., Boston, Massachusetts; HSBC Holdings plc, London, England; HSBC Holdings BV, Amsterdam, Netherlands; HSBC Americas, Inc., Buffalo, New York; The Royal Bank of Scotland Group, plc, Edinburgh, United Kingdom; The Royal Bank of Scotland plc, Edinburgh, United Kingdom; Citizens Financial Group, Inc., Providence, Rhode Island; and Summit Bancorp, Princeton, New Jersey; to acquire for NYCE Corporation, Woodcliff Lake, New Jersey (NYCE), all the stock of Magic Line, Inc., Dearborn, Michigan, and the subsequent merger of Magic Line, Inc., with and into NYCE Midwest, Inc., a wholly-owned subsidiary of NYCE, and thereby engage in the following data processing and check verification activities including network services, EFT processing, and remote branching services, pursuant to §§ 225.28(b)(14) and (b)(2)(iii) of Regulation Y. See also, *The Bank of New York Company, Inc.*, 80 Fed. Res. Bull. 1107 (1994); *Banc One Corporation*, 81 Fed. Res. Bull. 491 (1995); and *Barnett Banks, Inc.*, 83 Fed. Res. Bull. 131 (1996).

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

Robert deV. Frierson,

Associate Secretary of the Board.

[FR Doc. 99-6825 Filed 3-19-99; 8:45 am]

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FEDERAL RESERVE SYSTEM

[Docket No. R-1035]

Policy Statement on Payments System Risk; Modification to the Procedures for Measuring Daylight Overdrafts for Net Settlement Entries Processed Through the Enhanced Settlement Service

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Policy statement.

SUMMARY: The Board has modified the daylight overdraft posting rules to include the posting time for settlement entries processed through the enhanced settlement service. Also, the footnote numbering scheme will be changed to eliminate the duplication of footnote reference numbers and allow for continuous footnote numbering.

EFFECTIVE DATE: March 29, 1999.

FOR FURTHER INFORMATION CONTACT: Myriam Payne, Manager (202/452-

3219), or Stacy Panigay, Financial Services Analyst (202/452-2934), Division of Reserve Bank Operations and Payment Systems; for the hearing impaired only: Telecommunications Device for the Deaf (TDD), Diane Jenkins (202/452-3544).

SUPPLEMENTARY INFORMATION:

Background

When the Board modified the Payments System Risk Reduction policies in 1992 (57 FR 47093, October 14, 1992), it adopted a set of posting rules which comprise a schedule for the intraday timing of debits and credits to institutions Federal Reserve accounts for different types of payments. The implementation of these rules along with the imposition of fees for daylight overdrafts were part of the Board's program to induce behavioral changes to control risk and increase efficiency in the payments system. In accordance with the posting rules adopted in 1992, net settlement entries currently are posted throughout the business day after the settlement entries are received by the Reserve Banks.

Analysis of Federal Reserve Net Settlement Services

Currently the Federal Reserve offers two types of net settlement services, the settlement sheet service and the Fedwire-based service. In the traditional settlement sheet service, the settlement entries are posted throughout the business day on the next clock hour approximately one hour after settlement data are received by the Reserve Banks. The Reserve Banks, however, do not provide settlement finality until the business day after the settlement day. The Reserve Banks reserve the right to reverse settlement debits and credits if a participant is unable to cover its settlement debit.

Settlement entries from the Fedwire-based service are posted as they are processed. In the Fedwire-based service, individual participants with net debit positions send Fedwire funds transfers to a settlement account at a designated Reserve Bank. Once funds transfers have been received into the settlement account to cover all net debits, the clearing arrangement's agent sends Fedwire funds transfers from the settlement account to the accounts of participants in net credit positions. Under normal circumstances, this process is completed on the settlement day. Because the service uses Fedwire funds transfers, settlement payments are final and irrevocable on the settlement day.

In 1998, the Board approved an enhanced settlement service that

combines and improves selected features from the Reserve Banks' existing net settlement services and may be used for either gross or net multilateral settlements. The service is fully automated and provides finality of settlement intraday on the settlement day to participants in clearing arrangements using the service. In addition, the enhanced service enables the Reserve Banks to manage and limit risk by incorporating risk controls that are as robust as those used currently in the Fedwire-based net settlement service. Settlement entries processed by the enhanced settlement service will be posted on a flow basis as they are processed and are final and irrevocable. Unlike participants using the Fedwire-based service, participants using the enhanced settlement service do not have to rely on the initiation of individual Fedwire funds transfers to conduct settlement. This feature reduces the logistical complexity for certain clearing arrangements.

The Federal Reserve expects most clearing arrangements using its net settlement services to migrate to the enhanced settlement service. At the end of 2001, the settlement sheet service will no longer be offered; clearing arrangements using the settlement sheet service that want to continue settling through the Federal Reserve will have to migrate to the enhanced settlement service. The Fedwire-based service will be available so long as there is reasonable demand for the service.

Policy Statement on Payments System Risk

The Federal Reserve System Policy Statement on Payment System Risk is amended by removing reserved footnote 3; by renumbering footnotes 1 through 4 under the headings "I. Federal Reserve Policy," "Modified Procedures for Measuring Daylight Overdrafts" as footnotes 3 through 6 and revising redesignated footnote 4 to read as follows; and by renumbering remaining footnotes 4 through 24 as footnotes 7 through 29.

I. Federal Reserve Policy

A. Daylight Overdraft Definition

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Modified Procedures for Measuring Daylight Overdrafts³

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Post Throughout Business Day:

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+/- Fedwire funds transfer
+/- Fedwire book-entry securities transfers

3 * * *

+/- Net settlement entries⁴

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By order of the Board of Governors of the Federal Reserve System, March 16, 1999.

Jennifer Johnson,

Secretary of the Board.

[FR Doc. 99-6865 Filed 3-19-99; 8:45 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Notice of a Meeting of the National Bioethics Advisory Commission (NBAC)

SUMMARY: Pursuant to Section 10(d) of the Federal Advisory Committee Act, as amended (5 U.S.C. Appendix 2), notice is given of a meeting of the National Bioethics Advisory Commission. The Commission will address (1) research involving human embryonic stem cells, (2) the use of human biological materials in research and (3) ethical and regulatory issues in research sponsored or conducted by the U.S. in other countries. Some Commission members may participate by telephone conference. The meeting is open to the public and opportunities for statements by the public will be provided on April 16, 1999 from 11:30 am to 12 noon.

Dates/times	Location
April 15, 1999 1:00 am-5:00 pm	East Jefferson Ballroom. Omni Charlottesville Hotel 235 West Main Street, Charlottesville, Virginia 22182.
April 16, 1999 8:00 am-5:00 pm.	Same Location as Above.

SUPPLEMENTARY INFORMATION: The President established the National Bioethics Advisory Commission (NBAC) on October 3, 1995 by Executive Order 12975 as amended. The mission of the NBAC is to advise and make recommendations to the National Science and Technology Council, its Chair, the President, and other entities on bioethical issues arising from the research on human biology and behavior, and from the applications of that research.

Public Participation

The meeting is open to the public with attendance limited by the

⁴ Settlement entries from the "settlement-sheet" service will be posted on the next clock hour approximately one hour after settlement data are received by the Reserve Banks. The settlement-sheet service will be discontinued by year-end 2001. Settlement entries from the enhanced settlement service will be posted on a flow basis as they are processed.