

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41768; File No. SR-NSCC-99-11]

### Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Regarding Year 2000 Policies

August 19, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on August 19, 1999, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared primarily by NSCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposal.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Under the proposed rule change, NSCC will not activate any new or additional participant accounts or provide new services to participants after September 15, 1999, and until reasonably practicable in January 2000.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

##### (A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The proposed rule change provides that, NSCC will not activate any new or additional participant accounts or provide new services to participants after September 15, 1999, and until reasonably practicable in January, 2000. Among other things, NSCC announced

in its July 19, 1999, Important Notice that after September 15, 1999, and for the remainder of the calendar year, NSCC will not: (1) Permit new participants to utilize NSCC's services; (2) allow current participants to utilize new NSCC services; and (3) assign additional participant numbers to current participants.

NSCC's Rule 2 provides in part that:

The Corporation may deny an application to become a Member or to use one or more additional services of the Corporation upon a determination by the Corporation that the Corporation does not have adequate personnel, space, data processing capacity or other operational capability at such time to perform its services for the applicant or Member without impairing the ability of the Corporation to provide services for its existing Settling Members, to assure the prompt, accurate and orderly processing and settlement of securities transactions or to otherwise carry out its functions; provided, however, that any such applications which are denied pursuant to this paragraph shall be approved as promptly as the capabilities of the Corporation permit.

NSCC believes that continuing to activate numerous new or additional participant accounts or to provide new services to participants after September 15th could potentially be disruptive to the rest of its Year 2000 efforts. Specifically, NSCC will be devoting a great deal of resources to confirming the Year 2000 readiness of its systems and applications in October and November of 1999. Additionally, NSCC would like to ensure that it has enough time to deal with any unanticipated issues that arise before the end of the calendar year.

NSCC believes that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder. In particular, the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>3</sup> which requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and, in general, to protect investors and the public interest.

##### (B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will impact or impose a burden on competition.

##### (C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NSCC advised members of the Year 2000 policy modifications in an Important Notice, dated July 19, 1999.

No written comments relating to the Important Notice or proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

#### III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Section 17A(b)(3)(F) of the Act<sup>4</sup> requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission finds that the proposed rule change is consistent with this obligation because the proposed modifications to NSCC's Year 2000 policies will permit NSCC sufficient time before year end to complete its Year 2000 preparations. As a result, NSCC should be able to continue to provide prompt and accurate clearance and settlement of securities transactions before, on, and after Year 2000 without interruption.

NSCC requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing because such approval will allow NSCC to better prepare for a smooth Year 2000 transition.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified the text of the summaries prepared by NSCC.

<sup>3</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(F).

office of NSCC. All submissions should refer to the File No. SR-NSCC-99-11 and should be submitted by September 16, 1999.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>5</sup> that the proposed rule change (File No. SR-NSCC-99-11) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## DEPARTMENT OF TRANSPORTATION

### Office of the Secretary

[Notice 99-6]

#### Senior Executive Service Performance Review Boards Membership

**AGENCY:** Office of the Secretary, DOT.

**ACTION:** Notice of Performance Review Board (PRB) appointments.

**SUMMARY:** DOT publishes the names of the persons selected to serve on the various Departmental PRBs as required by 5 U.S.C. 4314(c)(4).

**FOR FURTHER INFORMATION CONTACT:** William Freed, Departmental Director, Office of Human Resource Management, (202) 366-4088.

**SUPPLEMENTARY INFORMATION:** The persons named below have been selected to serve on one or more Departmental PRBs.

Issued in Washington, DC, on August 23, 1999.

**Melissa J. Allen,**

*Assistant Secretary for Administration.*

#### Federal Railroad Administration

Jane H. Bachner, Deputy Associate Administrator for Industry and Intermodal Policy, Federal Railroad Administration

Ray Rogers, Associate Administrator for Administration and Finance, Federal Railroad Administration

Charles White, Associate Administrator for Policy and Program Development, Federal Railroad Administration

Rosalind A. Knapp, Deputy General Counsel, Office of the Secretary

George S. Moore, Associate Administrator for Administration, Federal Highway Administration

Luz A. Hopewell, Director, Office of Small and Disadvantaged Business Utilization, Office of the Secretary

#### Federal Transit Administration

Janet L. Sahaj, Deputy Associate Administrator, Office of Program Management, Federal Transit Administration

Michael Winter, Associate Administrator for Budget and Policy, Federal Transit Administration

Rosalind A. Knapp, Deputy General Counsel, Office of the Secretary

Richard M. Biter, Deputy Director, Office of Intermodalism, Office of the Secretary

Glenda Tate, Assistant Administrator for Human Resource Management, Federal Aviation Administration

Jerry A. Hawkins, Director, Office of Human Resources, Federal Highway Administration

#### Office of Inspector General

Joyce N. Fleischman, Deputy Inspector General, Department of Agriculture

John J. Connors, Deputy Inspector General, Department of Housing and Urban Development

Judith J. Gordon, Assistant Inspector General for Systems Evaluation, Department of Commerce

Nancy Hendricks, Assistant Inspector General for Audit, Federal Emergency Management Administration

Steven A. McNamara, Assistant Inspector General for Audit, Department of Education

Everett Mosley, Deputy Inspector General, Agency for International Development

Robert S. Terjesen, Assistant Inspector General for Investigations, Department of State

Joseph R. Willever, Deputy Inspector General, Office of Personnel Management

#### United States Coast Guard

RADM F. L. Ames, Assistant Commandant for Human Resources, United States Coast Guard

RADM Ernest R. Riutta, Assistant Commandant for Operations, United States Coast Guard

RADM Joyce M. Johnson, Director, Health and Safety Directorate, United States Coast Guard

RADM R. D. Sirois, Director of Reserve and Training, United States Coast Guard

RADM P. M. Stillman, Assistant Commandant for Congressional and Public Affairs, United States Coast Guard

RADM R. F. Silva, Assistant Commandant for Systems, United States Coast Guard

RADM J. A. Kinghorn, Director, Office of Intelligence and Security, Office of the Secretary

Jerry A. Hawkins, Director, Office of Human Resources, Federal Highway Administration

Patricia D. Parrish, Principal, TASC Customer Service, TASC

Lynn Sahaj, Deputy Associate Administrator for Program Management, Federal Transit Administration

Charles White, Associate Administrator for Policy and Program Development, Federal Railroad Administration

#### National Highway Traffic Safety Administration

Herman Simms, Associate Administrator for Administration, National Highway Traffic Safety Administration

Rose McMurray, Associate Administrator for Traffic Safety Programs, National Highway Traffic Safety Administration

William Walsh, Associate Administrator for Plans and Policy, National Highway Traffic Safety Administration

Frank Seales, Chief Counsel, National Highway Traffic Safety Administration,

Luz A. Hopewell, Director, Office of Small and Disadvantaged Business Utilization, Office of the Secretary

#### Federal Highway Administration

Arthur Hamilton, Program Manager, Federal Lands Highway Program, Federal Highway Administration

Fred Hempel, Director of Corporate Management, Federal Highway Administration

Leon Witman, Western Resource Center Director, Federal Highway Administration

Edward Morris, Jr., Director of Civil Rights, Federal Highway Administration

Walter Sutton, Director of Policy, Federal Highway Administration

Patricia Parrish, Principal, TASC Customer Service, TASC

#### Maritime Administration

Bruce J. Carlton, Associate Administrator for Policy and International Affairs, Maritime Administration

James J. Zok, Associate Administrator for Ship Financial Assistance and Cargo Preference, Maritime Administration

Margaret D. Blum, Associate Administrator for Port, Intermodal and Environmental Activities, Maritime Administration

John L. Mann, Jr., Associate Administrator for Administration, Maritime Administration

<sup>5</sup> 15 U.S.C. 78s(b)(2).

<sup>6</sup> 17 CFR 200.30-3(a)(12).