

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

DTC does not believe that the proposed rule change will impose any burden on competition.

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

No comments on the proposed rule change were solicited or received. DTC will notify the Commission of any written comments it receives.

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organizations consents, the Commission will:

- (a) by order approved the proposed rule change or
- (b) institute proceedings to determine whether the proposed rule change should be disapproved.

**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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-99-16 and should be submitted by July 14, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-41534; File No. SR-EMCC-99-4]

**Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing of a Proposed Rule Change Regarding Expansion of Eligible Instruments**

June 16, 1999.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on March 26, 1999, the Emerging Markets Clearing Corporation ("EMCC") filed with the Securities and Exchange Commission ("Commission") the proposal rule change (File No. SR-EMCC-99-04) as described in Items I, II, and III below, which items have been prepared primarily by EMCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The purpose of the proposed rule change is to expand the types of instruments eligible for clearance and settlement at EMCC.

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

In its filing with the Commission, EMCC 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. EMCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspect of such statement.<sup>2</sup>

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

The purpose of the proposed rule change is to expand the types of instruments eligible for processing by

EMCC. To accomplish this, the proposed rule change will amend the definition of "eligible sovereign debt," which is set forth in Rule 1, to mean any instruments which either:

(1) Are issued by or on behalf of an emerging markets sovereign issuer or an agency or instrumentality thereof (including, without limitation, any central bank thereof); provided that, in the case of any instrument issued by an agency or instrumentality, the credit quality of those instruments is judged by one or more NRSROs or by market participants generally on the basis of the credit quality of the related sovereign issuer; or

(2) Have the timely payment of principal and interest guaranteed by an issuer who meets the criteria set forth in (1).

As with all instruments that are EMCC eligible, these instruments must also meet the existing criteria set forth in Rule 3, Section 1 that they must be eligible for settlement at a qualified securities depository and that they must be U.S. dollar denominated.

The dollar denominated non-Brady sovereign debt of Brazil, Argentina, and Mexico has been eligible at EMCC since August 1998. Since that time, there have been two extreme market events affecting emerging market debt generally, one in August/September 1998 and another in January 1999. According to EMCC, it is the consensus of current members that having non-Brady sovereign debt of Brazil, Argentina, and Mexico eligible at EMCC during these events significantly reduced settlement risk and increased safety and soundness. EMCC also believes that these events demonstrated that EMCC's risk management systems and procedures, as well as their clearance and settlement systems and procedures, are well suited to non-Brady sovereign debt, even during times of market stress and extreme volatility. EMCC staff and members attribute this primarily to the facts that (1) the distinction between Brady and non-Brady sovereign debt (*i.e.*, whether or not it originated as part of a loan restructuring) is not relevant to the market behavior of the instruments and (2) the trading and settlement practices for both types of sovereign instruments are virtually identical.

EMCC believes that the proposed rule change is consistent with the requirements of section 17A of the Act<sup>3</sup> and the rules and regulations thereunder because the inclusion of dollar denominated sovereign debt will help to reduce risk and respect to the

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> 15 U.S.C. 78g-1.

clearance and settlement of those specific instruments as well as will help to reduce risk with respect to the emerging market marketplace generally.

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

EMCC does not believe that the proposed rule change will impose any burden on competition.

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

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

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

**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 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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such

filing also will be available for inspection and copying at the principal office of EMCC. All submissions should refer to File No. SR-EMCC-99-4 and should be submitted by July 14, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-15911 Filed 6-22-99; 8:45 am]

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**DEPARTMENT OF TRANSPORTATION**

**Maritime Administration**

**Voluntary Intermodal Sealift Agreement (VISA)/Joint Planning Advisory Group (JPAG)**

**AGENCY:** Maritime Administration, DOT.

**ACTION:** Synopsis of June 9, 1999, meeting with VISA participants.

On June 9, 1999, a Voluntary Intermodal Sealift Agreement (VISA) Joint Planning Advisory Group (JPAG) meeting was held via video telephonic conference (VTC). The sites connected by the VTC were the Military Sealift Command headquarters, Washington, DC, the Military Traffic Management Command, Falls Church, Virginia, and the U.S. Transportation Command, Scott Air Force Base, Illinois.

Meeting attendance was by invitation only, due to the classified nature of the information discussed and the requirement for a government-issued security clearance. Of the 35 U.S.-flag carrier corporate participants enrolled in VISA at the time of the meeting, 12 cleared carrier representative companies participated in the JPAG VTC. In addition, JPAG attendance included representatives from the Department of Defense (DoD) and the Maritime Administration (MARAD).

The purpose of the JPAG was to update VISA participants about current and future sealift operations in support of NATO operation "Allied Force" and Balkan region humanitarian support. The meeting convened at 9:00 a.m. EDT and adjourned at 10:30 a.m.

The full text of the VISA program is published in 64 FR 8214-8222, dated February 18, 1999. One of the program requirements is that MARAD periodically publish a list of VISA participants in the **Federal Register**. As of June 9, 1999, the following commercial U.S.-flag vessel operators were enrolled in VISA with MARAD: Alaska Cargo Transport Inc., American

Auto Carriers, Inc., American Automar, Inc., American President Lines, Ltd., American Ship Management, LLC, Central Gulf Lines, Inc., Crowley American Transport, Inc., Crowley Marine Services, Inc., Dixie Fuels II, Limited, Double Eagle Marine, Inc./Caribe USA, Inc., Farrell Lines Incorporated, First American Bulk Carrier Corp., Foss Maritime Company, Lykes Line Limited, L.L.C., Lynden Incorporated, Maersk Line, Limited, Matson Navigation Company, Inc., Maybank Navigation Company, LLC, McAllister Towing & Transportation Company, Inc., Moby Marine Corporation, NPR, Inc., OSG Car Carriers, Inc., Osprey Shipholding Corporation, L.L.C., Resolve Towing & Salvage, Inc., Seacor Marine International Inc., Sealift Inc., Sea-Land Service, Inc., Smith Maritime, Totem Ocean Trailer Express, Inc., Trailer Bridge, Inc., Trico Marine Operators, Inc., Troika International, Ltd., Van Ommeren Shipping (USA) LLC, Waterman Steamship Corporation, and Weeks Marine, Inc.

**FOR FURTHER INFORMATION CONTACT:** Raymond R. Barberesi, Director, Office of Sealift Support, (202) 366-2323.

By Order of the Maritime Administrator.

Dated: June 17, 1999.

**Joel C. Richard,**

*Secretary.*

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**DEPARTMENT OF TRANSPORTATION**

**Research and Special Programs Administration**

**Compliance Policy for Year 2000 (Y2K) Problems**

**AGENCY:** Research and Special Programs Administration (RSPA); U.S.

Department of Transportation (DOT).

**ACTION:** Notice; compliance policy.

**SUMMARY:** RSPA has developed safety standards, procedures and reporting requirements, found at 49 CFR Parts 190, 191, 192, 193, 194, 195 and 199, for ensuring the safe operation of pipeline facilities. Civil enforcement action (civil penalty or compliance order) can be taken for violations of pipeline safety regulations. RSPA can also issue a corrective action order if it determines a pipeline facility poses a hazard to life, property, or the environment. RSPA can also seek injunctive relief.

We do not intend to pursue applicable pipeline safety compliance actions for regulatory violations or for environmental or safety problems

<sup>4</sup> 17 CFR 200.30-3(a)(12).