

member remaining at the guaranteeing clearing agency.

EMCC believes that the clearing agency cross-guaranty agreements should be beneficial because the funds that may be made available to it may provide resources that may make a pro rata charge against its clearing fund unnecessary or lesser in amount.

The benefits accruing to EMCC from a Clearing agency cross-guaranty agreement are illustrated by the following example:

Broker-dealer BD upon insolvency owes EMCC a net of \$5 million and is owed a net of \$3 million by Clearing Entity X. BD is a member of both clearing agencies. In the absence of a clearing agency cross-guaranty agreement, Clearing Entity X would be obligated to pay \$3 million to BD's bankruptcy estate, and EMCC would have a claim for \$5 million against BD's bankruptcy estate as a general creditor with no assurance as to the extent of recovery. Under an effective cross-guaranty agreement, however, Clearing Entity X would pay to EMCC the \$3 million it owed to BD. As a result, EMCC's net exposure to the defaulting common member BD would be reduced.

EMCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>5</sup> and the rules and regulations thereunder because it promotes the safeguarding of securities and funds in the clearing agency's custody or control and for which it is responsible and fosters cooperation and coordination with other entities engaged in the clearance and settlement of securities transactions.

#### *(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 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-99-7 and should be submitted by August 27, 1999.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-20300 Filed 8-5-99; 8:45 am]

BILLING CODE 8010-01-M

#### **SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-41669; File No. SR-NYSE-99-35]

#### **Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc., Extending the Pilot Fee Structure Governing the Reimbursement of Member Organizations for Costs Incurred in the Transmission of Proxy and Other Shareholder Communication Material**

July 29, 1999.

Pursuant to Section 19(b)(1) of the Securities Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on July 27, 1999, the New York Stock Exchange, Inc. (the "Exchange" or "NYSE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. 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 Exchange proposes to extend the effectiveness of the pilot fees ("Pilot Fee Structure") currently set forth in Exchange Rule 4512, "Transmission of Proxy Material," and Exchange Rule 465, "Transmission of Interim Reports and Other Material," (collectively the "Rules"). The rules provide guidelines for the reimbursement of expenses by NYSE issuers to NYSE member organizations for the processing and delivery of proxy materials and other issuer communications to security holders whose securities are held in street name. The Pilot Fee Structure is presently scheduled to expire on August 31, 1999. The Exchange proposes to extend the Pilot Fee Structure through November 1, 1999.

The text of the proposed rule change is available at the Office of the Secretary, the Exchange, and at the Commission.

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

In its filing with the Commission, the Exchange included statements concerning the purpose of and basis for the proposed rule change and discussed

<sup>5</sup> 15 U.S.C. 78q-1.

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

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

<sup>2</sup> 17 CFR 240.19b-4.

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. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

**1. Purpose**

As first adopted, the Pilot Fee Structure revised the Rules to lower certain reimbursement guidelines, create incentive fees to eliminate duplicative mailings, and establish a supplemental fee for intermediaries that coordinate multiple nominees.<sup>3</sup> The Pilot Fee Structure has been modified and extended several times,<sup>4</sup> most recently by Commission order dated March 16, 1999.<sup>5</sup>

The Exchange recently submitted a proposed rule change to the Commission ("June Filing") to further revise the Pilot Fee Structure and extend its effectiveness through August 31, 2001.<sup>6</sup> The June Filing proposes to reduce the basic processing fee and nominee coordination fee that NYSE member organizations and proxy distribution intermediaries may recover in connection with the distribution of proxy and shareholder communication materials to shareholders. The June Filing also proposes to define the term "nominee" as it relates to the calculation of the nominee coordination fee. Because the issues presented by the June Filing are important and likely to impact many market participants, the Commission provided a 60 day public comment period for the June Filing, ending August 30, 1999.

The Exchange believes that an extension of the Pilot Fee Structure

through November 1, 1999, will give the Commission additional time to fully consider the June Filing and the public comment letters regarding the June Filing, without a lapse in the current Rules. Absent an extension of the Pilot Fee Structure, the fees in effect prior to the Pilot Fee Structure (*i.e.*, the fees in effect prior to March 14, 1997) would return to effectiveness after August 31, 1999. The Exchange believes that such a result could be counterproductive and cause confusion among NYSE member organizations and issuers, especially given that the June filing, proposing to extend the revised Pilot Fee Structure through August 31, 2001, is still pending with the Commission.

**2. Statutory Basis**

The Exchange believes the proposed rule change is consistent with section 6(b)(4) of the Act<sup>7</sup> in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The Exchange further believes that the proposed rule change satisfies the requirements under section 6(b)(5)<sup>8</sup> that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices; promote just and equitable principles of trade; foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities; remove impediments to and perfect the mechanism of a free and open market and a national market system; and, in general, protect investors and the public interest.

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

The Exchange believes the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on the proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) by its terms, does not become operative for 30 days after the date of the filing;<sup>9</sup> and the Exchange provided the Commission with written notice of its intent to file the proposed rule change, along with text of the proposal, at least five business days prior to the filing date; the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>10</sup> and Rule 19b-4(f)(6)<sup>11</sup> thereunder.

At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

**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 submissions, 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 persons, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C., 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 will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-99-35 and should be submitted by August 27, 1999.

<sup>9</sup> Although the proposed rule change seeking to extend the Pilot Fee Structure through November 1, 1999, is considered effective upon filing, it will not become operative until August 31, 1999, which is more than 30 days after the date of filing (July 27, 1999).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(6).

<sup>3</sup> See Securities Exchange Act Release No. 38406 (Mar. 14, 1997), 62 FR 13922 (Mar. 24, 1997). The Commission initially approved the Pilot Fee Structure as a one-year pilot, and designated May 13, 1998, as the date of expiration.

<sup>4</sup> See Securities Exchange Act Release Nos. 39672 (Feb. 17, 1998), 63 FR 9034 (Feb. 23, 1998) (order extending Pilot Fee Structure through July 31, 1998, and lowering the rate of reimbursement for mailing each set of initial proxies and annual reports from \$.55 to \$.50) 40289 (July 31, 1998), 63 FR 42652 (Aug. 10, 1998) (order extending Pilot Fee Structure through October 31, 1998); 40621 (Oct. 30, 1998), 63 FR 60036 (Nov. 6, 1998) (order extending Pilot Fee Structure through February 12, 1999); and 41044 (Feb. 11, 1999), 64 FR 8422 (Feb. 19, 1999) (order extending Pilot Fee Structure through March 15, 1999).

<sup>5</sup> See Securities Exchange Act Release No. 41177 (Mar. 16, 1999), 64 FR 14294 (Mar. 24, 1999)

<sup>6</sup> See Securities Exchange Act Release No. 41549 (June 23, 1999), 64 FR 35229 (June 30, 1999).

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 99-20301 Filed 8-5-99; 8:45 am]

BILLING CODE 8010-01-M

## DEPARTMENT OF STATE

[Public Notice 3108]

### Finding of No Significant Impact: Portland Pipe Line Corporation Pipeline at North Troy, VT

**AGENCY:** Department of State.

**ACTION:** Notice of a finding of no significant impact with regard to an application to convert, operate and maintain a pipeline to transport crude oil across the U.S.-Canada border.

**SUMMARY:** The Department of State has conducted an environmental assessment of the proposed conversion by Portland Pipe Line Corporation of an existing pipeline from natural gas service to crude oil service crossing the international boundary near North Troy, Vermont. Based on the environmental assessment, the Department of State has concluded that issuance of a Presidential Permit authorizing conversion of the existing pipeline will not have a significant effect on the existing vegetation and wildlife, water resources, land use, air quality and human populations within the United States. In reaching this conclusion, the Department of State considered several alternatives, including a no-action alternative. The return of the pipeline to crude oil transport would have no significant impact on the environment or population since no new construction or ground-disturbing activity is involved. The pipeline is constructed of steel and coated with coal tar to protect against corrosion. It is also cathodically protected with an impressed current system as a further protection against corrosion.

In accordance with the National Environmental Policy Act, 42 U.S.C. 4321 *et seq.*, Council on Environmental Quality Regulations, 40 CFR 1501.4 and 1508.13 and Department of State Regulations, 22 CFR 161.8(C), an environmental impact statement will not be prepared.

**FOR FURTHER INFORMATION ON THE PIPELINE PERMIT APPLICATION, CONTACT:** Bill Memler, Office of International Energy Policy, Room 3535, U.S. Department of State, Washington, DC, 20520, (202) 647-4557.

**SUPPLEMENTARY INFORMATION:** Portland Pipe Line Corporation, is a corporation formed under the laws of the State of Maine, with its principal place of business in South Portland, Maine. The proposed pipeline conversion involves a pipeline which is routed along an existing crude oil pipeline facility operated by Portland Pipe Line Corporation. Portland Pipe Line Corporation presently operates and maintains a 24-inch line for transporting crude oil between South Portland and the international boundary. The crude oil is transported and received by the applicant at a marine terminal in South Portland, Maine and is transferred at the US-Canada border into the pipeline owned and operated by MPL, which is regulated by the National Energy Board (NEB) of Canada.

Portland Pipe Line Corporation's earlier construction of the 18-inch pipeline transported crude oil successfully, safely and without any known detrimental environmental impact for throughout 35 years of service, period of 1951-1986. Since 1987, the 18-inch line has been operated in interstate natural gas transmission serve by Granite State Gas Transmission (Granite State) under the lease from Portland to Granite State. This current lease expires on April 30, 1999, with Portland to take custody of the line on June 1, 1999.

On April 7, 1999, the Department of State published a Notice of Application for a Presidential Permit in the **Federal Register**. No public comments were received and concerned agencies expressed no opposition to issuing the permit. A finding of no significant impact is adopted, and an environmental impact statement will not be prepared.

Dated: August 2, 1999.

**Peter Bass,**

*Deputy Assistant Secretary of State, for Energy, Sanctions and Commodities.*

[FR Doc. 99-20329 Filed 8-5-99; 8:45 am]

BILLING CODE 4710-07-P

## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

[Docket No. 28895]

#### Airport Privatization Pilot Program

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Notice of acceptance for review: Preliminary application for Niagara Falls International Airport, Niagara Falls, New York.

**SUMMARY:** The Federal Aviation Administration (FAA) has completed its review of the Niagara Falls International Airport (IAG) preliminary application for participation in the airport privatization pilot program. The preliminary application is accepted for review, with a filing date of July 1, 1999. The Niagara Frontier Transportation Authority (NFTA), the airport sponsor, may select a private operator, negotiate an agreement and submit a final application to the FAA for exemption under the pilot program.

49 U.S.C. 47134 establishes an airport privatization pilot program and authorizes the Department of Transportation to grant exemptions from certain Federal statutory and regulatory requirements for up to five airport privatization projects. The application procedures require the FAA to publish a notice in the **Federal Register** after review of a preliminary application. The FAA must publish a notice of receipt of the final application in the **Federal Register** for public review and comment for a sixty day period. The IAG preliminary application is available for public review in the Federal Aviation Administration, Office of Chief Counsel, Attention: Rules Docket (AGC-200), Docket No. 28895, 800 Independence Avenue, SW., Washington, DC 20591.

**FOR FURTHER INFORMATION CONTACT:** Kevin C. Willis (202-267-8741) Airport Compliance Division, AAS-400, Federal Aviation Administration, 800 Independence Ave. SW., Washington, DC 20591.

#### SUPPLEMENTARY INFORMATION:

##### Introduction and Background

Section 149 of the Federal Aviation Administration Authorization Act of 1996, Pub. L. 104-264 (October 9, 1996) (1996 Reauthorization Act), adds a new section 47134 to Title 49 of the U.S. Code. Section 47134 authorizes the Secretary of Transportation, and through delegation, the FAA Administrator, to exempt a sponsor of a public use airport that has received Federal assistance, from certain Federal requirements in connection with the privatization of the airport by sale or lease to a private party. Specifically, the Administrator may exempt the sponsor from all or part of the requirements to use airport revenues for airport-related purposes, to pay back a portion of Federal grants upon the sale of an airport, and to return airport property deeded by the Federal Government upon transfer of the airport. The Administrator is also authorized to exempt the private purchaser or lessee from the requirement to use all airport

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