

Estimated programmatic effect: None.

Deferral No. D99-2

Deferral of Budget Authority

Report Pursuant to Section 1013 of P.L. 93-344

Agency: International Assistance Programs.

Bureau: International Security Assistance.

Account: Economic support fund ² (72X1037, 728/91037)³

New budget authority:—

Other budgetary resources:
\$262,603,378

Total budgetary resources: 262,603,378

Amount deferred for entire year:

\$84,777,327

Justification: This deferral withholds funds available for international assistance pending the development of country-specific plans that assure that aid is provided in an efficient manner. Funds also are reserved for unanticipated program needs. This action is taken pursuant to the Antideficiency Act (31 U.S.C. 1512).

The President is authorized by the Foreign Assistance Act of 1961, as amended, to furnish assistance to countries and organizations, on such terms and conditions as he may determine, in order to promote economic or political stability. Section 531(b) of the Act makes the Secretary of State, in cooperation with the Administrator of the Agency for International Development, responsible for policy decisions and justifications for economic support programs, including whether there will be an economic support program for a country and the amount of the program for each country. This deferral of funds for the Economic Support Fund has no effect on the availability of funds for the International Fund for Ireland.

Estimated programmatic effect: None.

[FR Doc. 98-30620 Filed 11-16-98; 8:45 am]

BILLING CODE 3110-01-P

POSTAL RATE COMMISSION

Tour of Advo, Inc.

AGENCY: Postal Rate Commission.

ACTION: Notice of Commission Visit.

SUMMARY: Members of the Postal Rate Commission, accompanied by members of the Commission's Advisory and

Consumer Advocate staffs will tour the Columbia, MD facility of Advo Inc. on Tuesday, November 17, 1998, beginning at 9:15 am. Following the tour, the group will meet with executives of Advo and businesses that utilize saturation mail to learn about industry trends.

DATES: The visit is scheduled for November 17, 1998.

FOR FURTHER INFORMATION CONTACT: Stephen L. Sharfman, General Counsel, Postal Rate Commission, Suite 300, 1333 H Street, NW, Washington, DC 20268-0001, (202) 789-6820.

Dated: November 12, 1998.

Margaret P. Crenshaw,
Secretary.

[FR Doc. 98-30754 Filed 11-16-98; 8:45 am]

BILLING CODE 7715-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of November 16, 1998.

A closed meeting will be held on Thursday, November 19, 1998, at 11:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, November 19, 1998, at 11:00 a.m., will be:

Institution and settlement of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted

or postponed, please contact: The Office of the Secretary at (202) 942-7070.

November 12, 1998.

Jonathan G. Katz,
Secretary.

[FR Doc. 98-30795 Filed 11-13-98; 11:36 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40653; File No. SR-NASD-98-82]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to Increase in Advertising Fee Rates

November 10, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and rule 19b-4 thereunder,² notice is hereby given that on November 2, 1998, NASD Regulation, Inc. ("NASD Regulation") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. NASD Regulation has designated this proposal as establishing or changing a fee under Section 19(b)(3)(A)(ii), which renders the proposal effective upon receipt of this filing by the Commission. The NASD, however, will make the filing effective on January 1, 1999. 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

NASD Regulation is proposing to amend Section 13 of Schedule A of the NASD By-Laws to increase the review charge for advertisements, sales literature, and other such material filed or submitted. Set forth below is the text of the proposed rule change. Proposed new language is italicized and proposed deletions are in brackets.

* * * * *

Schedule A to the NASD By-Laws

Section 13—[Service] *Review Charge for Advertisement, Sales Literature, and Other Such Material Filed or Submitted*

There shall be a [service] *review charge for each and every item of*

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

² This account was the subject of a similar deferral in FY 1998 (D98-1).

³ The amounts deferred by account are:

72X1037	\$30,771,075
728/91037	54,006,252

advertisement, sales literature, and other such material, whether in printed, video, electronic or other form, filed with or submitted to the Association, except for items that are filed or submitted in response to a written request from the Association's Advertising Regulation Department issued pursuant to the spot check procedures set forth in the Association's Rules as follows: (1) for printed material reviewed, [50.00] \$75.00, plus \$10.00 for each page reviewed in excess of 10 pages; and (2) for video or audio media, [50.00] \$75.00, plus \$10.00 per minute for each minute of tape reviewed in excess of 10 minutes.

Where a member requests expedited review of material submitted to the Advertising Regulation department there shall be a [service] review charge of \$500.00 per item plus \$25 for each page reviewed in excess of 10 pages. Expedited review shall be completed within three business days, not including the date the item is received by the Advertising Regulation Department, unless a shorter or longer period is agreed to by the Advertising Regulation Department. The Advertising Regulation Department may, in its sole discretion, refuse requests for expedited review.

* * * * *

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

In its filing with the Commission, NASD Regulation 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. NASD Regulation 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

The Advertising/Investment Companies Regulation Department evaluates member firms' advertisements and sales literature for compliance with applicable rules of the NASD, SEC, Municipal Securities Rulemaking Board and Securities Investor Protection Corporation. These public communications include print, television and radio advertisements, or electronic communications such as Web sites. They also include brochures, form letters, mailers and telemarketing

scripts. The rules address investor protection concerns and require all communications to be accurate and to provide a sound basis for making an investment decision. The rules prohibit the use of exaggerated or misleading statements.

The Department operates three principal programs: filings, investigations and spot checks. The filings program is by far the largest in terms of communications reviewed and resources used. Approximately 1,450 member firms submitted sales material last year, either voluntarily or pursuant to a rule requirement. The Department also investigates misleading communications and provides expertise to Enforcement and the District Offices concerning the complex provisions of the SEC and NASD advertising rules. Finally, the Department conducts targeted spot checks of member communications that may not be subject to the filing requirements, but which must comply with the applicable rules.

The Department needs additional resources to enhance its operations and provide timely, high quality reviews. Significant increases in filing volume and workload have hampered the Department's operations. For example, between 1994 and 1997, the number of communications reviewed in the filings and spot check programs increased 43%, from 42,681 to 61,096. The Department expects filing volume to continue to increase in subsequent years.

NASD Regulation therefore intends to dedicate additional staff and resources to the Department, as well as to the other departments whose programs are related to the regulation of member communications with the public. The Cost of the additional staff and resources will be covered from the increase in advertising fee rates.

Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5)³ of the Act, which require that the rules of the Association provide for the equitable allocation of reasonable dues, fees, and other charges. NASD Regulation believes that the proposed rule change reasonably provides for an increase in the regular filing fees for advertising to help defray the costs associated with the significant increase in advertising activities and possible advertising rule violations.

³ 15 U.S.C. 78o-3.

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

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

III. Date of Effectiveness on the Proposed Rule Change And Timing for Commission Action

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act⁴ and subparagraph (e) of Rule 19b-4 thereunder in that it constitutes a due, fee or other charge. However, the NASD has determined to implement the rule change on January 1, 1999. 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 Act.⁵

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. 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. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No.

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ In reviewing this proposal, the Commission considered its impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

SR-NASD-98-82 and should be submitted by December 8, 1998.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-30717 Filed 11-16-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40657; File No. SR-NSCC-98-06]

Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving a Proposed Rule Change Modifying the Automated Customer Account Transfer Service

November 10, 1998.

On June 5, 1998, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-NSCC-98-06) pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act") and on June 17, 1998, amended the proposed rule change.¹ Notice of the proposal was published in the **Federal Register** on October 5, 1998.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

NSCC's automated customer account transfer service ("ACATS") enables members of NSCC to effect automated transfers of customer accounts among NSCC members.³ The proposed rule change expands the types of eligible ACATS participants and the kinds of accounts that may be transferred. Additionally, it permits NSCC to transmit date to clearing agencies in

order to expand the automated settlement capabilities of ACATS.⁴

A. Users

Currently, only NSCC members, primarily broker-dealers, may participate in ACATS. The proposed rule change permits a qualified securities depository ("QSD") to also effect customer account transfers through ACATS on behalf of its participants.⁵ Thus the proposed rule change permits ACATS transfers between two participants of a QSD and between a QSD participant and an NSCC member.

B. Transfers

The proposed rule change sets forth three categories of ACATS transfers: (1) Receiving members⁶ initiated full account transfers; (2) delivering member⁷ initiated partial account transfers; and (3) receiving member initiated partial account transfers. Categories one and two, while previously available are modified by the proposal. Category three is a new addition to ACATS.

1. Receiving Member Initiated Full Account Transfers

Under the revised ACATS, a receiving member is required to submit transfer information to NSCC in automated format. The "transfer initiation request" paper form is no longer accepted by NSCC.⁸

Currently, once a delivering member rejects a receiving member's transfer request, the receiving member is required to reinitiate the ACATS process. The rule filing provides that in response to certain enumerated categories of delivering member rejections, the receiving member may make corrections to its customer account transfer request. This allows a receiving member to adjust its customer account transfer request by submitting

⁴ NSCC stated that another reason for the redesign is to make the ACATS system Year 2000 compliant.

⁵ QSD is a defined term in NSCC's Rule 1 as a registered clearing agency, pursuant to section 3(a)(23) of the Act, that has entered into an agreement with NSCC pursuant to which it will act as a securities depository for NSCC and will effect book-entry transfers of securities for NSCC with respect to NSCC's continuous net settlement system. The Depository Trust Company is the only registered clearing agency that has entered into such an agreement with NSCC.

⁶ The proposed rule change defines the receiving member as a NSCC member or QSD to who a customer's full account is to be transferred.

⁷ The proposed rule change defines the delivering member as the NSCC member or QSD which currently has the account.

⁸ A receiving member will be able to continue to utilize the facilities of NSCC to submit physical documentation that a delivering member may need in order to act upon the receiving member's request.

corrections to NSCC within one business day after notification of a delivering member's rejection. A delivering member must then either reject the adjusted transfer request by submitting a new rejection to NSCC or submit to NSCC detailed customer account asset data. If the delivering member fails to respond to the adjusted transfer request within the time frame established by NSCC, NSCC will delete the request from ACATS and will notify the receiving and delivering members.

To the extent that a receiving member determines that any information as reported on the transfer initiation request is inaccurate, the rule filing provides that the receiving member may cause an adjustment to be made by submitting corrected data to NSCC. Similarly, if a delivering member determines that the account number of its customer as reported on the transfer initiation request is inaccurate, it may cause that adjustment to be made by submitting corrected data to NSCC.

Under the revisions, upon submission of customer account asset data, the delivering member is required to specify the quantity of mutual fund services eligible book share mutual fund assets ("mutual fund assets") to be processed, if any, and to indicate whether the transfer is a full or a partial transfer. A full transfer will cause all mutual fund assets, whether greater or lesser than the quantity specified, to be transferred. A partial transfer will cause only the quantity specified or, if the account has less than such amount, such lesser amount to be transferred. Since the actual quantity registered on the records of the mutual fund may be adjusted between the time of the transfer request submission and settlement of the ACATS transfer (due for example to reinvested dividends or capital gains), this modification provides ACATS participants with a means to transfer the quantity of assets available on settlement date (*i.e.*, a full transfer). In addition, the rule filing states that if the transfer is not confirmed or rejected by the mutual fund processor or fund member within the time frame established by NSCC, it will be deleted from the Fund/Serv system⁹ by NSCC. As a result, such transfer requests will no longer pend in NSCC's systems for an indefinite period of time.

The proposed rule change permits a receiving member to accelerate the transfer of a customer account by

⁹ For a complete description of NSCC's Fund/SERV system refer to Securities Exchange Act Release No. 31937 (March 1, 1993), 58 FR 12609 (File No. SR-NSCC-92-14) (order approving proposed rule change regarding Fund/SERV system).

⁶ 17 CFR 200-30-3(a)(2).

¹ 15 U.S.C. 78s (b)(1).

² Securities Exchange Act Release No. 40487 (September 28, 1998), 63 FR 53479.

³ ACATS complements New York Stock Exchange ("NYSE") and National Association of Securities Dealers ("NASD") rules that require NYSE and NASD members to use automated clearing agency customer account transfer services and to effect customer account transfers within specified time frames. For a description of ACATS as it was before the revisions approved by this order, refer to Securities Exchange Act Release No. 22481 (September 30, 1985), 50 FR 41274 (SR-NSCC-85-07); Securities Exchange Act Release No. 34879 (October 21, 1994), 59 FR 54229 (SR-NSCC-94-13); and NSCC Rule 50.