

issues now will be established by the appropriate regulatory authority.<sup>34</sup>

NSCC's Reconfirmation and Pricing Service ("RECAPS") now will be run from time to time to provide flexibility in the event of operational necessities.<sup>35</sup> The CNS Accounting Operation will no longer use subaccounts for the settlement of option exercises.<sup>36</sup> NSCC is eliminating its Delivery to Clearing Service.<sup>37</sup>

NSCC is amending its Procedures to conform to the practice that Net CNS Money Settlement Amounts calculated by members may be verified against the Settlement Activity Statement but are not required to be verified.<sup>38</sup> NSCC is eliminating the ability of members to select an alternate clearing corporation on an item-by-item basis.<sup>39</sup> NSCC is amending its procedures to provide that it may require members to submit certain securities to NSCC before those securities are deposited with DTC on behalf of such member.<sup>40</sup>

NSCC is eliminating its P&S service for direct clearing.<sup>41</sup> References to the New Jersey City office will be deleted because that office no longer exists.<sup>42</sup> NSCC is amending its rules to delete fees for hard copy output.<sup>43</sup> NSCC is amending its Automated Stock Borrow Procedures to reflect that NSCC will no longer borrow physical securities for the settlement of non-DTC eligible items.<sup>44</sup>

## II. Discussion

The Commission believes the proposal is consistent with the requirements of Section 17A of the Act.<sup>45</sup> Specifically, Section 17A(b)(3)(F)<sup>46</sup> states that the rules of a clearing agency must be designed to promote the prompt and accurate clearance and settlement of securities transactions, to assure the safeguarding of securities and funds which are in the

clearing agency's custody or control or for which it is responsible, and to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

Several of NSCC rules are based on the standard time frame for settlement of securities transactions. On June 7, 1995, as mandated by the Commission's Rule 15c6-1, the new settlement cycle of T+3 will be established. As a result, many of NSCC's current rules will be inconsistent with this rule. This proposal amends NSCC's rules to harmonize them with a T+3 settlement cycle. By enabling trades to settle in the shortened settlement cycle, the proposal should promote the prompt and accurate clearance and settlement of securities transactions. The Commission believes that the proposal should ensure safeguarding of securities and funds by eliminating obsolete services and streamlining NSCC's processes. The proposed rule change also should foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions by conforming NSCC's rules on settlement time frames with the rules of other self-regulatory organizations.

## III. Conclusion

For the reasons stated above, the Commission finds that NSCC's proposal is consistent with Section 17A of the Act.<sup>47</sup>

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-95-03) be and hereby is approved for effectiveness on June 7, 1995.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 95-14436 Filed 6-12-95; 8:45 am]

BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

[Application No. 99000160]

### Blue Ridge Investors Limited Partnership; Notice of Filing of an Application for a License to Operate as a Small Business Investment Company

Notice is hereby given of the filing of an application with the Small Business Administration (SBA) pursuant to § 107.102 of the regulations governing small business investment companies (13 CFR 107.102 (1994)) by Blue Ridge

Investors Limited Partnership, 300 N. Greene Street, Suite 2100, Greensboro, North Carolina 27401, for a license to operate as a small business investment company (SBIC) under the Small Business Investment Act of 1958, as amended (15 U.S.C. 661 et seq.), and the rules and regulations promulgated thereunder. Blue Ridge Investors Limited Partnership is a limited partnership formed under North Carolina law. The applicant will be managed by its General Partner, Blue Ridge Investors Group, Inc., and Blue Ridge Management Co., Inc. (the "Management Company"). Edward K. Crawford, F. James Becher, Jr., Edward C. McCarthy and Russell R. Myers are the principals of the Management Company. No individual or entity owns more than 10 percent of the proposed SBIC.

The applicant will begin operations with capitalization in excess of \$3.5 million and will be a source of equity and debt financings for qualified small business concerns. The applicant will focus its investments in the Southeastern United States.

Matters involved in SBA's consideration of the application include the general business reputation and character of the proposed owners and management, and the probability of successful operations of the new company under their management, including profitability and financial soundness in accordance with the Act and Regulations.

Notice is hereby given that any person may, not later than 15 days from the date of publication of this Notice, submit written comments on the proposed SBIC to the Associate Administrator for Investment, Small Business Administration, 409 3rd Street, SW., Washington, DC 20416.

A copy of this Notice will be published in a newspaper of general circulation in Greensboro, North Carolina.

(Catalog of Federal Domestic Assistance Programs No. 59.011, Small Business Investment Companies)

Dated: June 6, 1995.

**Robert D. Stillman,**

*Associate Administrator for Investment.*

[FR Doc. 95-14444 Filed 6-12-95; 8:45 am]

BILLING CODE 8025-01-M

<sup>34</sup> Procedure II.E.2.

<sup>35</sup> Procedure II.G. NSCC intends to run RECAPS on a quarterly basis.

<sup>36</sup> Procedure II.G.

<sup>37</sup> Procedures VII.C.5, G.3, and H.7. Members usually deliver securities to The Depository Trust Company ("DTC") to cover short positions instead of NSCC.

<sup>38</sup> Procedure VII.F.2.

<sup>39</sup> Procedure IX.A.

<sup>40</sup> Procedure IX.B.

<sup>41</sup> Procedure IX.D. Conforming amendments will be reflected in Procedure IX.E, Addendum A, Section IV (to eliminate fees for Remote Trade Comparison Handling and Preparation of T+1 input), and Addendum B, Section V.B. (to eliminate fees for options cage processing and stock loan rebate payment service).

<sup>42</sup> Addendum A, Section III.

<sup>43</sup> Addendum A, Section V.B.

<sup>44</sup> Addendum C.

<sup>45</sup> 15 U.S.C. § 78q-1 (1988).

<sup>46</sup> 15 U.S.C. § 78q-1(b)(3)(F) (1988).

<sup>47</sup> 15 U.S.C. § 78q-1 (1988).

**DEPARTMENT OF TRANSPORTATION****Office of the Secretary****National Transportation System (NTS) Initiative: Refinements to the Development Process**

**AGENCY:** Office of the Secretary, Department of Transportation.

**ACTION:** Notice of refinements in the development of the NTS.

**SUMMARY:** The Department of Transportation is modifying the process through which the NTS initiative will be developed and the proposed products of that process. These refinements are in response to the Department's extensive public outreach and comments to the docket last fall.

**DATES:** Comments on the refinements are welcomed. To be most useful, comments on these issues should be submitted no later than July 31, 1995.

**ADDRESSES:** Three copies of comments for the public docket on the NTS should be sent to: Office of the Secretary, Documentary Services Division, C-55, Attn: NTS Public Docket #49617, Room PL 401, 400 Seventh Street, SW., Washington, DC 20590.

**FOR FURTHER INFORMATION CONTACT:** Questions on the NTS initiative also can be directed to the Departmental Offices designated as leads for the NTS outreach and planning initiatives:

Mr. Michael P. Huerta, Associate Deputy Secretary, Room 10200, 400 Seventh Street, SW., Washington, DC 20590, Phone: (202) 366-5781.

Mr. Frank Kruesi, Assistant Secretary for Transportation Policy, Room 10228, 400 Seventh Street, SW., Washington, DC 20590, Phone: (202) 366-4450.

Mr. Stephen Palmer, Assistant Secretary for Governmental Affairs, Room 10408, 400 Seventh Street, SW., Washington, DC 20590, Phone: (202) 366-4573.

**SUPPLEMENTARY INFORMATION:** On December 9, 1993, Secretary of Transportation Federico Peña invited Congress, other Federal agencies, state and local officials, private businesses and citizen groups to participate in the development of the National Transportation System initiative. Officials from the Department of Transportation spent the next several months meeting with individuals and groups noted above to discuss all aspects of the NTS.

The **Federal Register** Notice laying out the basic concept and framework for the NTS was published on June 23, 1994 (59 FR 32481). A supplemental Notice

on the proposed process and criteria for designating the NTS was published in the **Federal Register** on August 24, 1994 (59 FR 43610). The Department received over 350 comments to the docket. In addition to soliciting public comments on the NTS concept through **Federal Register** notices, the Department received input from meetings held in Washington, DC, and around the country, that were attended by representatives of transportation interest groups, state and local agencies, and the private sector.

The key purposes of the NTS initiative were to conduct a dialogue with our customers and partners on the future of Federal transportation policy, improve transportation investment decisions, make DOT policy and programs more outcome-oriented and less modally driven, and draw attention to the state of the national transportation system and its implications for other goals.

**Interim Results of the NTS Outreach**

A number of strong and recurrent themes emerged from the outreach process. Across the spectrum of users, operators and interest groups, there is strong support for the NTS concept of an integrated, multimodal transportation system. These groups and individuals recognize the need to shift from looking at single mode solutions toward an intermodal, customer-oriented approach that looks at results in terms of mobility, congestion, and a variety of economic, social and environmental impacts.

There was consensus that the focus of the NTS should be on developing a better understanding of transportation demands and constraints and their implications for attaining national social, economic and environmental goals which would help all levels of government identify impediments to the efficient functioning of the system. Many felt that the Federal Government—working closely with state and local governments, the transportation industry and interested members of the public—should set a strategic agenda for achieving progress on these various fronts. There was little support for identifying current, high volume facilities through a mapping process. Thus the Department does not plan to develop an NTS map.

The outreach discussions and comments to the docket indicated widespread support for the NTS concept but recommended changes in the NTS evaluative framework to consider work being done at the state and local level and by the private sector.

Recommended revisions to the initial

NTS approach included giving more emphasis to building upon the planning processes required by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), developing the analytical capability to evaluate the performance of the system and developing performance measures to facilitate outcome-oriented, multimodal decisionmaking.

**Refinements to the NTS: Products**

In response to these comments, the Department is refining the NTS to focus on the following three major products:

1. **Transportation Performance Measurement System:** A recurring theme in the Department's outreach efforts to date has been that existing performance measures for the transportation system are incomplete. Specifically, we heard that there is a need for performance measures that consider more than simply traffic flows or transportation efficiency; they should consider effects on the economic, environmental and social outcomes which we, as a Nation, are pursuing.

To respond, the Department will initiate a performance measurement effort. The purpose is to bring about a better understanding of how transportation performs as an integrated system in meeting national goals. We intend to develop specific examples of performance measures that consider the broader transportation impacts discussed above. These measures will be developed to illustrate cause and effect relationships between transportation decisions, the external demand factors that lead to them, and their broader impacts on the system overall.

Data needed for this effort will be derived, for the most part, from existing state, local and national data collection efforts. This is to minimize any additional burdens on state and local governments. Where appropriate, we will also draw upon the state and local planning processes established by ISTEA.

The emphasis of the Department's work will be on the national system. However, this effort also will provide an analytic base for future discussions with state and local officials about how national goals of the transportation system, performance objectives, and tools necessary for achieving these objectives are linked with state and local objectives.

2. **National and Regional Transportation Analytical Capability:** A strategic analysis capability will be developed, using a national intermodal GIS database and performance measures, which could be used to

identify how the existing transportation system is performing, identify problems, and analyze implications of alternative national transportation policies. As initial activities, the Department expects to have some capability to undertake problem identification, define issues, and conduct tradeoff analysis within a year. The next steps will be to relate the transportation system to broader goals and other considerations such as economic activity, population trends, mobility issues and environmental measures, and to tie forecasting capability to transportation resource management and investment. This will begin to provide a framework for undertaking prospective policy and program tradeoff analysis. While intermediate products will begin to be available within the year, this work will require a significant investment and several years to complete.

3. State of the Transportation System Report: A report will be completed early in 1996 that would summarize outreach findings and apply initial research, performance measurement, and system analytical capability to describe the functioning of the transportation system now and policy implications for the future. It will include a vision for the Nation's future transportation system, a discussion of the performance and evaluation process, a description of the condition of the national transportation system and its relationship to the national economy, and an analysis of the national transportation network.

In developing these three products, the Department will continue its consultation with representatives of the public and private sectors to assure that the NTS is customer driven.

#### Public Outreach and Comment

In its initial presentation of the NTS concept in the June 23, 1994, **Federal Register**, the Department expressed its commitment to an incremental and evolving evaluation and goal-setting process for national transportation. It continues to be the Department's intent that the products resulting from this process will incorporate—and be improved by—input from the public and private sectors. Throughout the development of the NTS, the Department will continue to consult with state and local officials, at relevant meetings and conferences, and draw upon the products resulting from the metropolitan and statewide planning processes and management systems required by ISTEPA.

To ensure that the NTS products are relevant to public and private sector transportation decision makers and users, the Department would find

advice and input on its revised course of action for the NTS useful.

Issued this 6th day of June, 1995, in Washington, DC.

**Michael P. Huerta,**

*Associate Deputy Secretary and Director,  
Office of Intermodalism.*

[FR Doc. 95-14462 Filed 6-12-95; 8:45 am]

BILLING CODE 4910-62-P

## DEPARTMENT OF THE TREASURY

### Customs Service

#### Tariff Classification of Water Resistant Garments With Non-Water Resistant Hoods

**AGENCY:** U.S. Customs Service, Department of the Treasury.

**ACTION:** Withdrawal of proposed change of practice.

**SUMMARY:** Pursuant to the Customs Regulations, on December 5, 1994, Customs published notice in the **Federal Register** advising the public that Customs proposed a change of practice in regard to the classification of certain imported merchandise consisting of water resistant jackets with non-water resistant hoods, under the Harmonized Tariff Schedule of the United States (HTSUS). In response to that notice Customs received comments which were unanimous in opposition to the proposed change in practice. This document advises the public that Customs, after analyzing those comments, has decided not to change the practice in regard to these garments.

**EFFECTIVE DATE:** Withdrawal effective June 13, 1995.

#### FOR FURTHER INFORMATION CALL:

Josephine Baiamonte, Commercial Rulings Division, U.S. Customs Service, (202) 482-7050.

#### SUPPLEMENTARY INFORMATION:

##### Background

Classification of merchandise under the Harmonized Tariff Schedule of the United States is in accordance with the General Rules of Interpretation (GRI 1). GRI 1 provides that classification shall be determined according to the terms of the headings and any relative section or chapter notes.

Heading 6201, HTSUS, provides for, among other things, men's or boys' anoraks (including ski-jackets), windbreakers and similar articles (including padded, sleeveless jackets). In Additional U.S. Note 2 to chapter 62, HTSUS, wherein the term "water resistant" is defined, it states that the "water resistant" requirement refers to

the garment. Based on a review of that U.S. Note, Customs was of the opinion that Additional U.S. Note 2 had not been applied to its proper effect. Customs believed that the language of that Note did not suggest that only a portion of a garment be made water resistant in order for the entire garment to be classifiable as water resistant. Thus, the test as written, was interpreted to apply to the complete garment.

Accordingly, on December 5, 1994, Customs published a document in the **Federal Register** (59 FR 62452) proposing a change of practice pursuant to § 177.10(c)(1) of the Customs Regulations (19 CFR 177.10(c)(1)). Customs proposed that if the permanently attached hood of a water resistant garment is not similarly coated, the garment is precluded from classification as a water resistant garment.

#### Discussion of Comments

All of the comments received were in opposition to the change of practice. Consistently, the argument was made that the essential function of the water resistant garment is to provide protection from inclement weather, regardless of the presence of a hood. Furthermore, it was stated that Additional U.S. Note 2 is silent as to the "coverage issue", i.e., the portion of the garment which must be coated to render it properly classified as a water resistant garment, and that any restriction in that language was based solely on Customs interpretation.

#### Conclusion

Water resistant garments are specifically provided for in Chapter 62, HTSUS. Customs has consistently held that when the outer shell of a garment is coated, this has been sufficient to impart to the garment, per se, a water resistant classification. In addition to water resistance, many garments have characteristic features which distinguish them from other water resistant garments. For example, some may have rib knit cuffs and collars, and other decorative trim which are not water resistant. In other cases, as is the case with the garments at issue here, the garments feature hoods which may or may not be permanently attached to the garment, or may be "tuck away" hoods which fold into the collar. In most cases these hoods are not coated.

Regardless of these additional features, the garment itself remains water resistant. Thus, a water resistant garment with no hood is no less water resistant than a garment with a hood, particularly when one considers that