

For the Nuclear Regulatory Commission.
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NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-387 and 50-388]

Pennsylvania Power and Light Company Allegheny Electric Cooperative, Inc. Susquehanna Steam Electric Station, Units 1 and 2; Environmental Assessment and Finding of No Significant Impact

The U.S. Nuclear Regulatory Commission (the Commission) is considering issuance of amendments to Facility Operating Licenses Nos. NPF-14 and NPF-22, issued to Pennsylvania Power and Light Company (the licensee), for operation of the Susquehanna Steam Electric Station (SSES), Units 1 and 2, located in Luzerne County, Pennsylvania.

Environmental Assessment

Identification of the Proposed

The proposed action would revise Facility Operating Licenses Nos. NPF-14 and NPF-22, to reflect the change in the licensee's name from Pennsylvania Power & Light Company to PP&L, Inc.

The proposed action is in accordance with the licensee's application for amendment dated April 23, 1998.

The Need for the Proposed Action

The proposed action is needed to have the licenses accurately reflect the new legal name of the licensee.

Environmental Impacts of the Proposed Action

The Commission has completed its evaluation of the proposed changes to the licenses. There will be no impact on the status of the Operating Licenses (OLs) or the continued operation of the SSES, since the proposed changes are solely administrative in nature. The proposed changes update the OLs so that references to the licensee's name will be consistent with the new corporate name, PP&L, Inc., of the licensee.

The proposed changes are administrative in nature and will not increase the probability or consequences of accidents, no changes are being made in the types or amounts of any effluents that may be released offsite, and there is no significant increase in the allowable occupational or public

radiation exposure. Accordingly, the Commission concludes that there are no significant radiological environmental impacts associated with the proposed action.

With regard to potential nonradiological impacts, the proposed changes are administrative in nature and do not involve any physical features of the plant. Thus, the proposed changes do not affect nonradiological plant effluents and have no other environmental impact.

Accordingly, the Commission concludes that there are no significant nonradiological environmental impacts associated with the proposed action.

Alternatives to the Proposed Action

Since the Commission has concluded there is no significant environmental impact associated with the proposed action, any alternatives with equal or greater environmental impact need not be evaluated. As an alternative to the proposed action, the staff considered denial of the proposed action (no-action alternative). Denial of the application would result in no change in current environmental impacts. The environmental impacts of the proposed action and the alternative action are similar.

Alternative Use of Resources

This action does not involve the use of any resources not previously considered in the Final Environmental Statement for SSES, Units 1 and 2.

Agencies and Persons Consulted

In accordance with its stated policy, on August 21, 1998, the staff consulted with the Pennsylvania State official, Mr. M. Maingi of the Pennsylvania Department of Environmental Protection Bureau, Division of Nuclear Safety, regarding the environmental impact of the proposed action. The State official had no comments.

Finding of No Significant Impact

Based upon the environmental assessment, the Commission concludes that the proposed action will not have a significant effect on the quality of the human environment. Accordingly, the Commission has determined not to prepare an environmental impact statement for the proposed action.

For further details with respect to the proposed action, see the licensee's letter dated April 23, 1998, which is available for public inspection at the Commission's Public Document Room, The Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Osterhout Free Library, Reference

Department, 71 South Franklin Street, Wilkes-Barre, PA 19464.

Dated at Rockville, Maryland, this 24th day of September 1998.

For the Nuclear Regulatory Commission.

Victor Nerses,

*Senior Project Manager, Project Directorate
 I-2, Division of Reactor Projects—I/II, Office
 of Nuclear Reactor Regulation.*

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40475; File No. SR-EMCC-98-09]

Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Pair-Off Procedures for Fail Receive and Fail Deliver Obligations

September 24, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 18, 1998, the Emerging Markets Clearing Corporation ("EMCC") filed with the Securities and Exchange Commission ("Commission") and on September 22, 1998, amended the proposed rule change as described in Items I and II below, which items have been prepared primarily by EMCC. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval.

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 permit EMCC to perform pair-offs with respect to fail receive and fail deliver obligations for EMCC eligible instruments other than warrants.

II. Self-Regulatory Organization's Statement of the Purpose of, and 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

¹ 15 U.S.C. 78s(b)(1).

summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.²

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

Since EMCC commenced operations in April 1998, EMCC states that it has experienced a 98% settlement rate on settlement date. However, during the last few weeks (due to the current global market environment), EMCC has seen the settlement rate decline with respect to certain instruments to less than 50%. Currently, there are more than 2000 open fails on the books of EMCC, as well as those of its members, in selected issues.

Prior to the formation of EMCC, if a member was experiencing a significant fail problem, it would conduct bilateral pair-offs with its counterparties on the failed transactions. EMCC has determined that it would be beneficial for both EMCC and its members for EMCC to conduct bilateral pair-offs to help eliminate fails for the following reasons. First, EMCC believes that the bilateral pair-offs will help to eliminate uncertainties that could result from potential buy-ins of the failed transactions. (Buy-ins have the potential to exacerbate existing market volatility.) Second, EMCC expects it could eliminate the need for members to deposit significant additional amounts of clearing fund obligations related to the failed positions. This could benefit members by allowing them to utilize these funds in other ways during periods of market volatility. Third, EMCC expects that bilateral pair-offs will permit members as well as EMCC to reduce the number of open fails carried on their books on a daily basis.

Fail deliver and fail receive obligations may be paired-off only if (i) they relate to EMCC eligible instruments within the same ISIN, (ii) they relate to the same quantity of EMCC eligible instruments either individually or when aggregated with other fail obligations (a fail obligation cannot be partially paired-off), and (iii) the original transactions underlying fail obligations to be paired-off are with the same counter party.

The proposed rule change permits EMCC to conduct pair-offs as frequently as EMCC determines is necessary and for such EMCC instruments as EMCC determines to be beneficial. The pair-off process gives members the opportunity to notify EMCC if they determine to be

excluded from a particular pair-off date. With respect to the first bond pair-off, EMCC states that members have been notified that EMCC has requested that the Commission approve the proposed rule change to allow EMCC to conduct the first pair-off process on Friday, September 25, 1998. EMCC states that to date all members have indicated that they intend to participate in the first bond pair-off. EMCC will notify members regarding the approval of the rule filing and at such time, EMCC will confirm with its members the scheduling of the first pair-off process. With respect to future bond pair-offs, EMCC intends to give its members two days prior notice of any such bond pair-off. The pair-off process may be conducted with respect to specific EMCC eligible instruments or with respect to all EMCC eligible instruments. Depending upon the number of fails affected by the pair-off process, the time period for conducting the pair-off process could extend beyond one business day.

As a result of the pair-off process, EMCC will issue cancellation instructions on behalf of the affected members to the appropriate qualified securities depository ("QSD") with respect to each paired-off transaction. In addition, EMCC will issue to the QSD appropriate debit/credit instructions which result from the differences among the transactions which have been paired-off.

EMCC believes that the proposed rule change is consistent with Section 17A of the Act and the rules and regulations promulgated thereunder because it will facilitate the prompt and accurate settlement of securities transactions.³

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

EMCC does not believe that the proposed rule change will have an impact on 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

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

Section 17A(b)(3)(F)⁴ requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission believes that EMCC's rule change is consistent with EMCC's obligations under Section 17A(b)(3)(F) because the bilateral pair-off process will help reduce the number of failed transactions on EMCC's books. By reducing the number of failed transactions, EMCC will be able to increase the number of transactions which settle promptly and on a timely basis.

EMCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. Because of the current global market environment, EMCC has requested that its proposed rule change be approved by Thursday, September 24, 1998, so that EMCC may conduct the first pair-off on Friday, September 25, 1998, to begin eliminating fails as soon as possible. In order to allow EMCC to begin using its pair-off process as soon as practically possible, the Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing.

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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal

² The Commission has modified parts of these statements.

³ 15 U.S.C. 78q-1.

⁴ 15 U.S.C. 78q-1(b)(3)(F).

office of EMCC. All submissions should refer to the File No. SR-EMCC-09-09 and should be submitted by October 21, 1998.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-EMCC-98-09) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Jonathan G. Katz,
Secretary.

[FR Doc. 98-26156 Filed 9-29-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40463; File No. SR-GSCC-98-03]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change Regarding Amendments to GSCC's By-Laws

September 23, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 31, 1998, the Government Securities Clearing Corporation ("GSCC") 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 primarily by GSCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

Under the proposed rule change, GSCC will amend its by-laws to allow GSCC's Board of Directors to determine which individuals shall serve as GSCC's chief executive officer ("CEO") and chief operating officer ("COO").

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

In its filing with the Commission, GSCC 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. GSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

GSCC was formed by the National Securities Clearing Corporation ("NSCC") in 1986. Initially, GSCC was a wholly owned subsidiary of NSCC. However, in December 1987 GSCC shares were issued in a private placement, and now approximately seventy-five percent of GSCC's shares are owned by its member firms. In August 1988, GSCC began providing services to its members, and its first participant shareholder Board of Directors was elected.

GSCC's shareholder agreement provides that NSCC has the right to nominate two individuals for election to the GSCC Board and that GSCC is to designate one of those individuals to the position of Vice-Chairman. Since GSCC was incorporated in 1986, GSCC's by-laws provided that the Vice-Chairman of GSCC's Board shall automatically be its CEO and that GSCC's President shall automatically be the COO.

For ten years, GSCC has operated as the central clearing corporation for the government securities marketplace. As a result, GSCC now believes that in order to ensure its independence, GSCC's Board of Directors should determine for itself which individuals shall serve as the CEO and COO. Therefore, under the proposed rule change GSCC will amend its by-laws to:

- (1) Delete the provision that states that the Vice Chairman of the Board shall be CEO of GSCC.
- (2) Delete the provision that states that the President shall be the COO of GSCC, and
- (3) Make other conforming changes so as to appropriately reflect the responsibilities of the CEO and COO.

GSCC intends to continue its close affiliation with NSCC and to maintain the current synergies that GSCC shares with NSCC, such as the ancillary accounting, administrative services, human resources, and treasury services that NSCC provides for GSCC. In addition, GSCC will seek out additional ways that NSCC and GSCC can work together.

GSCC believes that the proposed rule change is consistent with the Act and the rules and regulations thereunder because the amendments to GSCC's by-

laws will allow GSCC's Board of Directors to determine for itself which individuals shall serve as GSCC's CEO and COO.

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

GSCC does not believe that the proposed rule change will have an 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

Written comments relating to the proposed rule change have not yet been solicited or received. Members will be notified of the rule change filing and comments will be solicited by an important notice. GSCC will notify the Commission of any written comments received by GSCC.

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 GSCC 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. 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

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by GSCC.