

2. Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act⁵ in general, and in particular, with Section 6(b)(5),⁶ in that it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system, as well as to protect investors and the public interest by enhancing efficiency through automation in the market and protecting the public through Year 2000 preparedness along with the securities industry.

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

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

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

No written comments were either solicited or received with respect to the proposed rule change.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

After careful consideration, the Commission has concluded, for the reasons set forth below, that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder. Mandating Year 2000 testing and reporting is consistent with Section 6(b)(5) of the Act, among other aspects, requires that the rules of an exchange 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, and remove impediments to and perfect the mechanism of a free and open market and a national market system. The Commission believes that the proposed rule change will facilitate the Phlx's and member firms' efforts to ensure the securities markets' continued smooth operation during the period leading up to and beyond January 1, 2000.

⁵ 15 U.S.C. 78f(b).

⁶ 15 U.S.C. 78f(b)(5).

The Exchange has requested that the Commission approve the proposed rule change prior to the 30th day after the date of publication of notice of the filing in the **Federal Register** because the Exchange believes that the proposed rule change is necessary for the protection of investors and the safeguarding of the securities of investors, and that current participation in testing for the prevention of Year 2000 failures is critical during the next year. The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publication of notice of the filing in the **Federal Register**. It is vital that self-regulatory organizations ("SROs") such as the Phlx have the authority to mandate that their member firms participate in Year 2000 testing and that they report test results (and other Year 2000 information) to the SROs. The proposed rule change will help Phlx participate in coordinating Year 2000 testing, including industry-wide testing, and in remediating any potential Year 2000 problems. This, in turn, will help ensure that the industry-wide tests and the Phlx's Year 2000 efforts are successful. The proposed rule change will also help the Phlx work with its member firms, the SIA, and other SROs to minimize any possible disruptions the Year 2000 may cause.

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 office of the Phlx. All submissions should refer to File No. SR-Phlx-98-53 and should be submitted by January 29, 1999.

V. Commission

It is therefore ordered, pursuant to Section 19(b)(2) of the Act⁷ that the proposed rule change (SR-Phlx-98-53) and Amendment No. 1 thereto is thereby approved on an accelerated basis.⁸

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 99-413 Filed 1-7-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40872; File No. SR-SCCP-98-05]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to Continuation of Limited Clearance and Settlement Services

December 31, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 9, 1998, Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-SCCP-98-05) as described in Items I and II below, which items have been prepared primarily by SCCP. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposal.

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

Under the proposed rule change, SCCP will be permitted to provide limited clearance and settlement services for an additional one year period ending December 31, 1999.

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

In its filing with the Commission, SCCP included statements concerning

⁷ 15 U.S.C. 78s(b)(2).

⁸ In approving the proposal, the Commission has considered the rule's impact on efficiency, competition and capital formation, 15 U.S.C. 78c(f).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

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. SCCP 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

Background

In an agreement dated as of June 18, 1997, ("Agreement") by and among the Philadelphia Stock Exchange, Incorporated ("PHLX"), SCCP, Philadelphia Depository Trust Company ("Philadep"), National Securities Clearing Corporation ("NSCC"), and The Depository Trust Company ("DTC"), it was agreed that as a part of SCCP's restructuring and limiting its clearance and settlement business SCCP participants would have access to the facilities of one or more other organizations providing full securities clearing services and that SCCP would transfer to the books of such other organizations the continuous net settlement ("CNS") system open positions of SCCP participants shown on the books of SCCP.

On December 11, 1997, the Commission issued an order approving proposed rule changes related to the Agreement and SCCP's restructured and limited clearance and settlement business.³ The approval order stated that:

However, because a part of SCCP's proposed rule change concerns the restructuring of SCCP's operations to enable SCCP to offer limited clearing and settlement services to certain PHLX members, the Commission finds that it is appropriate to grant only temporary approval to the portion of SCCP's proposed rule change that amends SCCP's By-Laws, Rules, or Procedures. This will allow the Commission and SCCP to see how well SCCP's restructured operations are functioning under actual working conditions and to determine whether any adjustments are necessary. Thus, the Commission is

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

³ Securities Exchange Act Release No. 39444 (December 11, 1997), 62 FR 66703 [File Nos. SR-DTC-97-16, SR-NSCC-97-08, SR-Philadep-97-04, SR-SCCP-97-04] (order granting SCCP temporary approval through December 31, 1998, to provide limited clearance and settlement services to certain PHLX members). See also Securities Exchange Act Release No. 39445 (December 11, 1997), 62 FR 66709 [File No. SR-PHLX-97-59] (order granting PHLX approval to limit its clearing services and to stop providing depository services through its subsidiaries SCCP and Philadep in order to focus its resources on the operation of the exchange).

approving the portion of SCCP's proposal that amends its By-Laws, Rules, or Procedures through December 31, 1998.

SCCP proposes a one year extension of the approval order to continue SCCP's services to its participants. SCCP believes that its restructured operations have functioned consistently with the existing order and will continue to evaluate whether any adjustments are necessary.

Purpose

In the Commission's order approving the Agreement, many SCCP rules were amended and discussed at length. No changes to SCCP's rules are proposed at this time. Under the proposed rule change, SCCP will continue to provide trade confirmation and recording services for members of the PHLX that effect transactions through regional interface operations ("RIO") and ex-clearing accounts. SCCP will also continue to provide margin accounts to certain participants that will be cleared through an account established by SCCP at NSCC.

Statutory Basis

SCCP believes the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to SCCP and in particular with Section 17A(b)(3)(F) of the Act,⁴ which requires that a clearing agency be organized and its rules be designed among other things to promote the prompt and accurate clearance and settlement of securities transactions, to safeguard funds and securities in its possession and control, and to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions. SCCP believes that an extension of the approval of SCCP's restructured business should promote the prompt and accurate clearance and settlement of securities transactions by integrating and consolidating clearing services available to the industry and should assure the safeguarding of securities and funds in the custody or contract of SCCP or for which SCCP is responsible consistent with the aforementioned provisions of the Act.

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

SCCP does not believe that the proposed rule change should impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

⁴ 15 U.S.C. 78q-1(b)(3)(F).

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 with respect to the proposed rule change.

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

Section 17A(b)(3)(F) of the Act⁵ requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. Based on the information the Commission has to date, the Commission believes that SCCP's restructured operations have functioned satisfactorily under actual working conditions to provide prompt and accurate clearance and settlement. During the upcoming temporary approval period, the Commission will review with SCCP in further detail SCCP's restructured operations.

SCCP has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing. Approving prior to the thirtieth day after publication of notice will allow SCCP to continue its restructured operations for another year (*i.e.*, through December 31, 1999) without interruption when the initial temporary approval order expires on December 31, 1998.

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, N.W., Washington, D.C. 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

⁵ 15 U.S.C. 78q-1(b)(3)(F).

available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of SCCP. All submissions should refer to the file number SR-SCCP-98-05 and should be submitted by January 29, 1999.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶ that the proposed rule change (File No. SR-SCCP-98-05) be and hereby is approved through December 31, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SOCIAL SECURITY ADMINISTRATION

Privacy Act 1974; Computer Matching Program (Agreement for SSA/ Individual Source Jurisdictions Match of Data on Certain Fugitives and Probation or Parole Violators, Match #5000)

AGENCY: Social Security Administration (SSA).

ACTION: Notice of computer matching program.

SUMMARY: In accordance with the provisions of the Privacy Act, as amended, this notice announces a computer matching program that SSA plans to conduct.

DATES: SSA will file a report of the subject matching program with the Committee on Governmental Affairs of the Senate, the Committee on Government Reform and Oversight of the House of Representatives and the Office of Information and Regulatory Affairs, Office of Management and Budget (OMB). The matching program will be effective as indicated below.

ADDRESSES: Interested parties may comment on this notice by either facsimile to (410) 966-2935 or writing to the Associate Commissioner for Program Support, 4400 West High Rise Building, 6401 Security Boulevard, Baltimore, MD 21235. All comments received will be available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: The Associate Commissioner for Program Support at the above address.

⁶ 15 U.S.C. 78s(b)(2).

⁷ 17 CFR 200.30-3(a)(12).

SUPPLEMENTARY INFORMATION:

A. General

The Computer Matching and Privacy Protection Act of 1988 (Public Law (Pub. L.) 100-503) amended the Privacy Act (5 U.S.C. 552a) by establishing the conditions under which computer matching involving the Federal Government could be performed and adding certain protections for individuals applying for or receiving Federal benefits. Section 7201 of the Omnibus Budget Reconciliation Act of 1990 (Pub. L. 101-508) further amended the Privacy Act regarding protection for such individuals.

The Privacy Act, as amended, regulates the use of computer matching by Federal agencies when records in a system of records are matched with other Federal, State, or local government records. It requires Federal agencies involved in computer matching programs to:

- (1) Negotiate written agreements with the other agency or agencies participating in the matching programs;
- (2) Obtain approval of the match agreements by any appropriate Federal agency Data Integrity Boards;
- (3) Furnish detailed reports about matching programs to Congress and OMB;
- (4) Notify applicants and beneficiaries that their records are subject to matching; and
- (5) Verify match findings before reducing, suspending, terminating or denying an individual's benefits or payments.

B. SSA Computer Matches Subject to the Privacy Act

We have taken action to ensure that all of SSA's computer matching programs comply with the requirements of the Privacy Act, as amended.

Dated: December 22, 1998.

Kenneth S. Apfel,

Commissioner of Social Security.

Notice of Computer Matching Program, Social Security Administration (SSA) with Individual Source Jurisdictions

A. Participating Agencies

SSA and various State and local jurisdictions.

B. Purpose of the Matching Program

The purpose of this matching program is to establish the conditions, safeguards and procedures for the disclosure to SSA by individual source jurisdictions, information on individuals who are fugitives from justice or parole or probation violators. Individual source jurisdictions will disclose information

on certain individuals through a computer matching operation for SSA's use in verifying eligibility under Title II and Title XVI of the Social Security Act.

C. Authority for Conducting the Matching Program

This matching operation is carried out under the authority of sections 202(x)(1)(A)(I), 1611(e)(1)(A) and 1611(e)(5) of the Social Security Act.

D. Categories of Records and Individuals Covered by the Match

Individual jurisdictions will submit names and other identifying information of individuals who are fugitives from justice or parole or probation violators. The SSA Master Files of Social Security Number (SSN) Holders and SSN Applications (SSA/OSR 09-60-0058) contains the SSNs and identifying information for all SSN holders. The SSA Master Beneficiary Record (SSA/OSR 09-60-0090) and the Supplemental Security Income Record (SSA/SSR 09-60-0103) contain beneficiary and payment information. SSA will match data from these record systems with data received from individual jurisdictions as a first step in detecting certain fugitives and probation or parole violators who should not be receiving Social Security or Supplemental Security Income (SSI) benefits.

E. Inclusive Dates of the Match

This matching program shall become effective no sooner than 40 days after notice of the program is sent to Congress and the Office of Management and Budget, or 30 days after publication of this notice in the **Federal Register**, whichever date is later. The matching program will continue for 18 months from the effective date and may be extended for an additional 12 months thereafter, if certain conditions are met.

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DEPARTMENT OF STATE

Bureau of Oceans and International Environmental and Scientific Affairs

[Public Notice 2955]

Public Meeting Regarding Government Activities on International Harmonization of Chemical Classification and Labeling Systems

AGENCY: Bureau of Oceans and International Environmental and Scientific Affairs (OES), Department of State.

ACTION: Notice of a public meeting regarding Government Activities on