

§ 54.4 Scope.

(a) * * *

(1) * * *

(iii) The capability to prevent or mitigate the consequences of accidents which could result in potential offsite exposures comparable to those referred to in § 50.34(a)(1), § 50.67(b)(2), or § 100.11 of this chapter, as applicable.

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Dated at Rockville, Maryland, this 5th day of March 1999.

For the Nuclear Regulatory Commission.

Annette Vietti-Cook,

Secretary of the Commission.

[FR Doc. 99-6058 Filed 3-10-99; 8:45 am]

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DEPARTMENT OF TRANSPORTATION**Federal Aviation Administration****14 CFR Part 71**

[Airspace Docket No. 99-ANM-02]

Proposed Revision of Class E Airspace; Colstrip, MT

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This proposal would amend the Colstrip, MT, Class E area and provide additional controlled airspace to accommodate the development of new Standard Instrument Approach Procedures (SIAP) utilizing the Global Positioning System (GPS) at the Colstrip, Airport.

DATES: Comments must be received on or before April 26, 1999.

ADDRESSES: Send comments on the proposal in triplicate to: Manager, Airspace Branch, ANM-520, Federal Aviation Administration, Docket No. 99-ANM-02, 1601 Lind Avenue SW, Renton, Washington, 98055-4056.

The official docket may be examined in the office of the Assistant Chief Counsel for the Northwest Mountain Region at the same address.

An informal docket may also be examined during normal business hours in the office of the Manager, Air Traffic Division, Airspace Branch, at the address listed above.

FOR FURTHER INFORMATION CONTACT: Dennis Ripley, ANM-520.6, Federal Aviation Administration, Docket No. 99-ANM-02, 1601 Lind Avenue SW, Renton, Washington 98055-4056; telephone number: (425) 227-2527.

SUPPLEMENTARY INFORMATION:**Comments Invited**

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments, as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specially invited on the overall regulatory, aeronautical, economic, environmental, and energy related aspects of the proposal.

Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit, with those comments, a self-addressed stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 99-ANM-02." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in the light of comments received. All comments submitted will be available for examination at the address listed above both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

Any person may obtain a copy of this NPRM by submitting a request to the Federal Aviation Administration, Airspace Branch, ANM-520, 1601 Lind Avenue SW, Renton, Washington 98055-4056. Communications must identify the notice number of this NPRM. Persons interested in being placed in a mailing list for future NPRM's should also request a copy of Advisory Circular No. 11-2A, which describes the application procedure.

The Proposal

The FAA is considering an amendment to Title 14 Code of Federal Regulations, part 71 (14 CFR part 71) by revising Class E airspace at Colstrip, MT, in order to accommodate two new GPS SIAP to the Colstrip Airport. This amendment would provide additional airspace by lowering the Class E area to the west in order to meet current criteria standards associated with SIAP holding

patterns. The FAA establishes Class E airspace where necessary to contain aircraft transitioning between the terminal and en route environments. The intended effect of this proposal is designed to provide safe and efficient use of the navigable airspace and to promote safe flight operations under Instrument Flight Rules (IFR) at the Constrip Airport and between the terminal and en route transition stages.

The area would be depicted on aeronautical charts for pilot reference. The coordinates for this airspace docket are based on North American Datum 83. Class E airspace areas extending upward from 700 feet or more above the surface of the earth, are published Paragraph 6005, of FAA Order 7400.9F dated September 10, 1998, and effective September 16, 1998, which is incorporated by reference in 14 CFR 71.1. The Class E airspace designation listed in this document would be published subsequently in the Order.

The FAA has determined that this proposed regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. It, therefore, (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a Regulatory Evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES, AND REPORTING POINTS

1. The authority citation for 14 CFR part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9F, Airspace Designations and Reporting Points, dated September 10, 1998, and effective September 16, 1998, is amended as follows:

Paragraph 6005 Class E airspace areas extending upward from 700 feet or more above the surface of the earth.

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ANM MT E5 Colstrip, MT [Revised]

Colstrip Airport, Colstrip MT
(Lat. 45°51'10" N, long. 106°42'34" W)

That airspace extending upward from 700 feet above the surface within a 13.5-mile radius of Colstrip Airport, that airspace extending upward from 1,200 feet above the surface bounded on the north along V-2, on the east along V-254; on the south along lat. 45°30'00" N., to long. 107°40'00" W., on the west along long. 107°40'00" W., to V-2; excluding that airspace within Federal airways, the Billings, the Forsyth and the Miles City, MT, Class E airspace areas

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Issued in Seattle, Washington, on February 18, 1999.

Daniel A. Boyle,

*Assistant Manager, Air Traffic Division,
Northwest Mountain Region.*

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SECURITIES AND EXCHANGE COMMISSION**17 CFR Part 240**

[Release No. 34-41142; File No. S7-8-99]

RIN 3235-AH61

Operational Capability Requirements of Registered Broker-Dealers and Transfer Agents and Year 2000 Compliance

AGENCY: Securities and Exchange Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Securities and Exchange Commission ("Commission") is soliciting comment on new proposed Rules 15b7-2 and 17Ad-20 and temporary Rules 15b7-3T, 17Ad-21T, and 17a-9T under the Securities Exchange Act of 1934 ("Exchange Act"). Broker-dealers and transfer agents are becoming increasingly reliant on computer systems to perform their functions. Thus, it is critical that they have sufficient operational capability. In addition, broker-dealers, transfer agents, and other securities market participants are facing a critical test of their operational capability with the

upcoming Year 2000. These proposed rules would require registered broker-dealers and transfer agents to have sufficient operational capability and their computer systems to be Year 2000 compliant. These proposed rules are intended to protect investors and the securities markets by reducing the potential systemic risk as a result of operational failures in general, and in particular, computer systems failures related to the Year 2000 at registered broker-dealers and non-bank transfer agents.

DATES: You should send us your comments so that they arrive at the Commission on or before April 12, 1999.

ADDRESSES: You should submit three copies of your comments to Jonathan G. Katz, Secretary, Mail Stop 0609, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. You can also submit your comments electronically at the following E-mail address: rule-comments@sec.gov. In your comment letters, you should refer to File No. S7-8-99, which should be included on the subject line if E-mail is used. We will make all comments received available for public inspection and copying at the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. We will post electronically submitted comment letters on our Internet web site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT:

Broker-Dealers (Rules 15b7-2 and 15b7-3T) Sheila Slevin, Assistant Director, 202-942-0796, S. Kevin An, Special Counsel, 202-942-0198, or Kevin Ehrlich, Attorney, 202-942-0778; *Transfer Agents (Rules 17Ad-20 and 17Ad-21T)* Jerry W. Carpenter, Assistant Director, 202-942-4187, or Lori R. Bucci, Special Counsel, 202-942-4187; *Recordkeeping (Rule 17a-9T)* Tom McGowan, Assistant Director, 202-942-0177, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-1001.

SUPPLEMENTARY INFORMATION:**I. Introduction and Executive Summary**

Because of the tremendous growth in the volume and complexity of securities trading in recent years, broker-dealers and transfer agents are becoming increasingly reliant on computer systems to perform their functions. Securities firms rely on computers to handle every aspect of trading, from routing orders to various markets to maintaining customer accounts. As with broker-dealers, the majority of transfer agents also now rely on computers instead of manual processing to record

changes of ownership of securities, maintain issuer securityholder records, cancel and issue certificates, and distribute dividends. Accordingly, it has become more essential than ever that broker-dealers have sufficient operational capability to process transactions for customers as well as to maintain control of customer funds and securities, and for transfer agents to assure the prompt transfer and processing of securities and maintenance of securityholder files.

This obligation is not new. Broker-dealers and transfer agents have always been expected under the federal securities laws to have the ability to properly handle customer transactions, whether manually or electronically. For example, in connection with the back office problems in the 1960s, we warned broker-dealers that if they did not have the personnel and facilities to enable them to promptly execute and consummate all of their securities transactions, they could be in violation of the antifraud provisions if they accepted or executed any customer order.¹ More recently, the Division of Market Regulation stated that broker-dealers should take steps to prevent their operational systems from being overwhelmed by high trading volume and that they should have the systems capacity to handle exceptional situations.²

In light of broker-dealers' and transfer agents' increasing reliance on computer systems, we believe it is appropriate to provide further guidance by setting objective standards relating to operational capability that registered broker-dealers must meet under Section 15(b)(7) of the Exchange Act³ and that registered transfer agents must meet under Section 17A(d)(1) of the Exchange

¹ Exchange Act Rel. No. 8363 (July 29, 1968), 33 FR 11150 (August 7, 1968).

² Staff Legal Bulletin No. 8 (September 9, 1998), which can be found at <<http://www.sec.gov/rules/other/slbmr8.htm>>. At the time we announced the Automation Review Policy Statement for self-regulatory organizations ("SROs"), we stated that broker-dealers should also engage in systems testing. Exchange Act Rel. No. 27445 (November 16, 1989), 54 FR 48703 (November 24, 1989).

³ The Congress recognized the importance of the operational capability of broker-dealers by including Exchange Act Section 15(b)(7) as part of the 1975 Amendments. Pub. L. No. 94-29, 89 Stat. 97 (1975). That section allows us to establish by rule such operational capability standards as we find necessary or appropriate in the public interest or for the protection of investors. We also note that we have broad authority to promulgate rules and regulations as necessary or appropriate in the public interest or for the protection of investors to provide safeguards with respect to the financial responsibility and related practices of broker-dealers. Exchange Act Section 15(c)(3), 15 U.S.C. 80(c)(3).