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Robert N. Stevens,

*Acting Manager, Air Traffic Division,
Southwest Region.*

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FEDERAL TRADE COMMISSION

16 CFR Part 5

Employee Conduct Standards and Financial Conflicts of Interest; Cross-Reference to Executive Branch-wide Regulations

AGENCY: Federal Trade Commission.

ACTION: Final rule.

SUMMARY: In its rule concerning Employee Conduct Standards and Financial Conflicts of Interest, the Commission is amending its cross-reference to the executive branch-wide regulations, to correct a typographical error.

EFFECTIVE DATE: These amendments are effective August 5, 1999.

FOR FURTHER INFORMATION CONTACT: Ira S. Kaye, 202-326-2426, or Shira Pavis Minton, 202-326-2479, Attorneys, Office of the General Counsel, FTC, 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580.

SUPPLEMENTARY INFORMATION: The Commission is revising Commission Rule 5.1, 16 CFR 5.1, to correct a typographical error.

This rule amendment relates solely to agency practice, and, thus, is not subject to the notice and comment requirements of the Administrative Procedure Act, 5 U.S.C. 553(a)(2), or to the requirements of the Regulatory Flexibility Act, 5 U.S.C. 601(2).

List of Subjects in 16 CFR Part 5, Subpart A

Employee Conduct Standards and Financial Conflict of Interest.

For the reasons set forth in the preamble, the Federal Trade Commission amends Title 16, chapter I, subchapter A, of the Code of Federal Regulations as follows:

PART 5—STANDARDS OF CONDUCT

1. The authority citation for part 5 continues to read as follows:

Authority: 5 U.S.C. 7301; 5 U.S.C. App. (Ethics in Government Act of 1978); 15 U.S.C. 46(g); E.O. 12674, 54 FR 15159, 3 CFR, 1989 Comp., p. 215, as modified by E.O. 12731, 55 FR 42547, 3 CFR, 1900 Comp., p. 306; 5 CFR part 2635, unless otherwise noted.

2. Section 5.1 is amended by revising the citation "5 CFR 5701.101" to read "5

CFR Part 5701" and by revising the word "supplements" to "supplement".

Donald S. Clark,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Parts 200, 240 and 249

[Release No. 34-41672; File No. S7-16-99]

RIN 3235-AH73

Broker-Dealer Registration and Reporting

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Securities and Exchange Commission is taking several steps as contingency planning in the event that the implementation of Web CRD is postponed and Legacy CRD must be reinstated. These steps include redesignating Form BD currently in effect until July 30, 1999 as Interim Form BD, redesignating Form BDW currently in effect until August 1, 1999 as Interim Form BDW, and extending the effectiveness of these forms indefinitely; amending Rules 15b3-1(c), 15b6-1, 15Ba2-2(e), 15Bc3-1, 15Ca2-1(c), and 15Cc1-1 under the Securities Exchange Act of 1934 to allow the Commission, by order, to conditionally exempt broker-dealers from the filing instructions contained in those rules and Forms BD and BDW, respectively; and amending the Commission's Rules of Practice to delegate the authority to issue orders under all these rules to the Director of the Division of Market Regulation. These actions will permit the Commission to require use of Interim Form BD and Interim Form BDW after July 30, 1999 and August 1, 1999, respectively, in the event the full implementation of Web CRD is delayed and it becomes necessary to return to the Legacy CRD system.

EFFECTIVE DATE: July 30, 1999.

FOR FURTHER INFORMATION CONTACT:

Catherine McGuire, Chief Counsel, Barbara A. Stettner, Special Counsel, or Brian R. Baysinger, Special Counsel at (202) 942-0073, Office of Chief Counsel, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-1001.

SUPPLEMENTARY INFORMATION:

I. Description of Amendments

On April 30, 1999, the Securities and Exchange Commission ("Commission") adopted amendments to Form BDW ("Revised Form BDW") and Rules 15b3-1, 15b6-1, 15Ba2-2, 15Bc3-1, 15Ca1-1 and 15Cc1-1 under the Securities Exchange Act of 1934 ("Exchange Act").¹ On July 2, 1999, the Commission adopted amendments to Form BD ("Revised Form BD") and Rules 15b3-1, 15Ba2-2, and 15Ca2-1 under the Exchange Act.² These amendments were mainly technical and formatting changes needed to accommodate electronic filing in "Web CRD," the new, Internet-based Central Registration Depository ("CRD") system. Revised Form BDW was intended to supercede Form BDW, currently in effect until August 1, 1999, beginning August 1, 1999, and Revised Form BD was intended to supercede Form BD, currently in effect until July 30, 1999,³ beginning July 30, 1999.

Since the time the Commission adopted these amendments, the National Association of Securities Dealers Inc., which operates the CRD system, has engaged in more extensive testing of Web CRD. While it appears at this time that the implementation of Web CRD will continue to go forward as planned, we believe it is prudent to implement a contingency plan in the event the full implementation of Web CRD is delayed for any reason.

This contingency plan consists of three elements. First, the Commission is redesignating the old Form BD and Form BDW, respectively, as Interim Form BD and Interim Form BDW and extending their effective dates indefinitely. This is intended to preserve the effectiveness of these forms in the event it becomes necessary to return to the Legacy CRD system.⁴ However, registrants must continue to file on Revised Forms BD and BDW until notified otherwise by the Commission.

Second, the Commission is amending Rules 15b3-1, 15b6-1, 15Ba2-2, 15Bc3-1, 15Ca2-1, and 15Cc1-1 to provide the Commission with the authority to, by order, conditionally exempt broker-

¹ Securities Exchange Act Release No. 41356 (April 30, 1999), 64 FR 25143 (May, 10, 1999) ("BDW Adopting Release").

² Securities Exchange Act Release No. 41594 (July 2, 1999); 64 FR 37586 (July 12, 1999) ("BD Adopting Release").

³ The current Form BD is referred to in the Adopting Release as "Interim Form BD."

⁴ The CRD system that is currently in effect is referred to as "Legacy CRD." As explained in the BD Adopting Release and the BDW Adopting Release, the interim forms are compatible with Legacy CRD, not with Web CRD. See BD Adopting Release and BDW Adopting Release for details.

dealers from the filing instructions for Form BD and Form BDW. This authority is needed to provide the Commission with sufficient flexibility to continuously maintain the registration system for broker-dealers in the event the full implementation of Web CRD is delayed.

Third, the Commission is amending Rule 30-3 of its Rules of Practice to add a new paragraph (a)(67). This paragraph will delegate the authority to issue orders under Rules 15b3-1(c)(4), 15b6-1(e), 15Ba2-2(e)(4), 15Bc3-1(e), 15Ca2-1(c)(4), and 15Cc1-1(d) to the Director of the Division of Market Regulation.⁵ The Commission believes that this is necessary to effectively respond to any event that may delay the full implementation of Web CRD.

The Commission is adopting these amendments immediately, without notice and comment, which would otherwise be required by the Administrative Procedure Act. The Commission for good cause finds that, based on the reasons cited above, notice and solicitation of comment regarding the Commission's contingency planning for CRD is impracticable, unnecessary, and contrary to the public interest.⁶ Furthermore, the Commission for good cause finds that, based on the reasons cited above, the rules and amendments shall be effective July 30, 1999. The Commission believes that the benefits of having a contingency plan to handle any problems with implementing Web CRD justify any minimal cost or inconvenience to broker-dealers. If the Commission does not adopt a contingency plan, and Web CRD fails to timely and adequately replace Legacy CRD, the marketplace could be disrupted: new broker-dealers could be delayed when trying to enter the market and important information about broker-dealers and their employees may be temporarily unavailable or difficult to access. This contingency plan needs to be adopted prior to the expiration of the old Form BD on July 30, 1999.

There will be little or no additional costs if Interim Forms BD and BDW are retained concurrently with new Forms BD and BDW because the forms are virtually identical. Furthermore, the Commission will inform broker-dealers which forms to file and does not intend to discipline firms that inadvertently file on the wrong form.

The Commission would like to stress that we still expect Web CRD to be implemented as planned. However, the Commission believes that, given the size and complexity of the Web CRD system, and the importance of the CRD system in the broker-dealer regulatory scheme, it is prudent to have a contingency plan in place.

II. Cost Benefit Analysis

The Commission believes that the benefits of the rule amendments clearly justify any costs that may be incurred. The amendments will benefit broker-dealers by providing a contingency plan in the event the full implementation of Web CRD is delayed. Also, the Commission would like to stress that there would be little or no additional costs to industry participants if Interim Forms BD and BDW are retained concurrently with Revised Forms BD and BDW.

III. Competitive Effects/NSMIA

Pursuant to Section 23(a) of the Exchange Act, the Commission does not believe the rule amendments will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act.

IV. Regulatory Flexibility Analysis

Pursuant to Section 605(b) of the Regulatory Flexibility Act, the Chairman has certified that the rule amendments will not have a significant impact on a substantial number of small entities.⁷ A copy of the Certification is attached as Exhibit A.

List of Subjects

17 CFR Part 200

Administrative practice and procedure, Authority delegations (Government agencies).

17 CFR Parts 240 and 249

Broker-dealers, Reporting and recordkeeping requirements, Securities.

Statutory Basis and Text of Final Amendments

In accordance with the foregoing, Title 17, Chapter II of the Code of Federal Regulations is amended as follows:

PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

1. The authority citation for part 200 continues to read in part as follows:

⁷ 15 U.S.C. 78w(a).

Authority: 15 U.S.C. 77s, 78d-1, 78d-2, 78w, 78ll(d), 78mm, 79t, 77sss, 80a-37, 80b-11, unless otherwise noted.

* * * * *

2. Section 200.30-3 is amended by adding paragraph (a)(67) to read as follows:

§ 200.30-3 Delegation of authority to Director of Division of Market Regulation.

* * * * *

(a) * * *
(67) To issue orders under Rules 15b3-1(c)(4), 15b6-1(e), 15Ba2-2(e)(4), 15Bc3-1(e), 15Ca2-1(c)(4), and 15Cc1-1(d) (17 CFR 240.15b3-1(c)(4), 240.15b6-1(e), 240.15Ba2-2(e)(4), 240.15Bc3-1(e), 240.15Ca2-1(c)(4), and 240.15Cc1-1(d)).

* * * * *

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

3. The authority citation for part 240 continues to read in part as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78f, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78ll(d), 78mm, 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

* * * * *

4. By amending § 240.15b3-1 by adding paragraph (c)(4) to read as follows:

§ 240.15b3-1 Amendments to application.

* * * * *

(c) *Temporary re-filing instructions.*

* * *

(4) The Commission, by order, may exempt any broker or dealer from the filing requirements provided in Form BD (17 CFR 249.501) and paragraphs (c)(1), (c)(2), and (c)(3) of this section under conditions that differ from the filing instructions contained in Form BD and paragraphs (c)(1), (c)(2), and (c)(3) of this section.

5. By amending § 240.15b6-1 by adding paragraph (e) to read as follows.

§ 240.15b6-1 Withdrawal from registration.

* * * * *

(e) The Commission, by order, may exempt any broker or dealer from the filing requirements provided in Form BDW (17 CFR 249.501a) under conditions that differ from the filing instructions contained in Form BDW.

6. By amending § 240.15Ba2-2 by adding paragraph (e)(4) to read as follows:

§ 240.15Ba2-2 Application for registration of non-bank municipal securities dealers whose business is exclusively intrastate.

* * * * *

⁵ 17 CFR 200.30-3

⁶ 5 U.S.C. 553(b)(3)(B) (an agency may dispense with prior notice and comment when it finds, for good cause, that notice and comment are "impracticable, unnecessary, or contrary to the public interest."). 5 U.S.C. 553(d) (an agency may dispense with publication of a rule less than thirty days before its effective date only for good cause).

(e) Temporary re-filing instructions.
* * *

(4) The Commission, by order, may exempt any broker or dealer from the filing requirements provided in Form BD (17 CFR 249.501) and paragraphs (e)(1), (e)(2), and (e)(3) of this section under conditions that differ from the filing instructions contained in Form BD and paragraphs (e)(1), (e)(2), and (e)(3) of this section.

7. By amending § 240.15Bc3-1 by adding paragraph (e) to read as follows:

§ 240.15Bc3-1 Withdrawal from registration of municipal securities dealers.
* * * * *

(e) The Commission, by order, may exempt any broker or dealer from the filing requirements provided in Form BDW (17 CFR 249.501a) under conditions that differ from the filing instructions contained in Form BDW.

8. By amending § 240.15Ca2-1 by adding paragraph (c)(4) to read as follows:

§ 240.15Ca2-1 Application for registration as a government securities broker or government securities dealer.
* * * * *

(c) Temporary re-filing instructions.
* * *

(4) The Commission, by order, may exempt any broker or dealer from the filing requirements provided in Form BD (17 CFR 249.501) and paragraphs (c)(1), (c)(2), and (c)(3) of this section under conditions that differ from the filing instructions contained in Form BD and paragraphs (c)(1), (c)(2), and (c)(3) of this section.

9. By amending § 240.15Cc1-1 by adding paragraph (d) to read as follows:

§ 240.15Cc1-1 Withdrawal from registration of municipal securities dealers.
* * * * *

(d) The Commission, by order, may exempt any broker or dealer from the filing requirements provided in Form BDW (17 CFR 249.501a) under conditions that differ from the filing instructions contained in Form BDW.

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

10. The authority citation for part 249 continues to read in part as follows:

Authority: 15 U.S.C. 78a, et. seq., unless otherwise noted;

* * * * *

11. By amending § 249.501 by designating the current text as paragraph (a) and by adding paragraph (b) to read as follows:

§ 249.501 Form BD, for application for registration as a broker and dealer or to amend or supplement such an application.

(a) * * *

(b) Interim Form BD shall be used for application for registration as broker-dealer under the Securities Exchange Act of 1934, or to amend such application, only by order of the Commission. In the event broker-dealers are required to comply with their filing obligations on Interim Form BD, the form will be made available at the Commission's Publication Office at (202) 942-4040.

12. By amending § 249.501a by designating the current text as paragraph (a) and by adding paragraph (b) to read as follows:

§ 249.501a Form BDW, notice of withdrawal from registration as broker-dealer pursuant to § 240.15b6-1, § 240.15Bc3-1, or § 240.15Cc1-1 of this chapter.

(a) * * *

(b) Interim Form BDW shall be used for application for registration as broker-dealer under the Securities Exchange Act of 1934, or to amend such application, only by order of the Commission. In the event broker-dealers are required to comply with their filing obligations on Interim Form BD, the form will be made available at the Commission's Publication Office at (202) 942-4040.

By the Commission.

Dated: July 30, 1999.

Margaret H. McFarland,
Deputy Secretary.

Note: This Appendix A to the preamble will not appear in the Code of Federal Regulations.

**Appendix A to the Preamble—
Securities and Exchange Commission
Regulatory Flexibility Act Certification**

I, Arthur Levitt, Jr., Chairman of the U.S. Securities and Exchange Commission ("Commission"), hereby certify, pursuant to 5 U.S.C. § 605(b), that (1) the redesignation of Form BD and Form BDW, as currently in effect until July 30, 1999 and August 1, 1999, respectively, as Interim Form BD and Interim Form BDW and (2) the amendments to Rules 15b3-1(c), 15b6-1, 15Ba2-2(e), 15Bc3-1, 15Ca2-1(c), and 15Cc1-1 ("Rules") and 17 CFR §§ 249.501 and 501a under the Securities Exchange Act of 1934 ("Exchange Act") would not, if adopted, have a significant economic impact on a substantial number of small entities. The redesignation of Form BD and Form BDW is intended to preserve the effectiveness of these forms in the event it is necessary to return to the legacy CRD system. The rule amendments would allow the Commission, by order, to conditionally exempt broker-dealers from the filing instructions contained in those rules and Forms BD and BDW, respectively. This

authority is needed to provide the Commission with sufficient flexibility to continuously maintain the registration system for broker-dealers in the event the full implementation of Web CRD is delayed. The amendments would impose little or no new recordkeeping requirements or compliance burdens on small entities. Accordingly, the amendments would not have a significant economic impact on a substantial number of small entities.

Dated: July 30, 1999.

Arthur Levitt, Jr.,

Chairman.

[FR Doc. 99-20099 Filed 7-30-99; 4:34 pm]

BILLING CODE 8010-01-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Parts 510, 520, 522, and 558

New Animal Drugs; Change of Sponsor

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the animal drug regulations to reflect a change of sponsor for six new animal drug applications (NADA's) from Roussel-UCLAF SA, Animal Health Division to Hoechst Roussel Vet.

EFFECTIVE DATE: August 5, 1999.

FOR FURTHER INFORMATION CONTACT: Thomas J. McKay, Center for Veterinary Medicine (HFV-102), Food and Drug Administration, 7500 Standish Pl., Rockville, MD 20855, 301-827-0213.

SUPPLEMENTARY INFORMATION: Roussel-UCLAF SA, Animal Health Division, 102 Route de Noisy, 93235 Romainville Cedex, France, has informed FDA that it has transferred ownership of, and all rights and interests in, the approved NADA's (130-951, 131-310, 138-612, 140-824, 140-897, and 140-992) to Hoechst Roussel Vet, 30 Independence Blvd., P.O. Box 4915, Warren, NJ 07059.

This rule does not meet the definition of "rule" in 5 U.S.C. 804(3)(A) because it is a rule of "particular applicability." Therefore, it is not subject to the congressional review requirements in 5 U.S.C. 801-808. Accordingly, the agency is amending the regulations in 21 CFR parts 510, 520, 522, and 558 to reflect the change of sponsor. The agency is also amending 21 CFR 510.600(c)(1) and (c)(2) to remove the sponsor name for Roussel UCLAF SA because the firm no longer is the holder of any approved NADA's.