

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

The purpose of the proposed rule change is to establish a fee for EMCC's warrant processing service. This service enables EMCC to pair-off warrant fail receive and warrant fail deliver obligations.³ According to the proposed rule change, EMCC's members will be charged a \$2.00 fee per fail receive or fail deliver obligation that is eliminated as a result of the pair-off process. The fee will be effective with the first pair-off process that EMCC conducts after the date of this filing.

EMCC believes that the proposed rule change is consistent with Section 17A(b)(3)(D) of the Act⁴ and the rules and regulations thereunder because it provides for the equitable allocation of reasonable dues, fees, and other charges among EMCC's participants.

(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 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 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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁵ and pursuant to Rule 19b-4(e)(2)⁶ promulgated thereunder because the proposal changes a due, fee, or other charge imposed by EMCC. At any time within sixty days of the filing for such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors,

³ For a complete description of EMCC's warrant processing service, refer to Securities Exchange Act Release No. 40190 (July 16, 1998), 63 FR 38445 [File No. SR-EMCC-98-5].

⁴ 15 U.S.C. 78q-1(b)(3)(D).

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4(e)(2).

or otherwise in furtherance of the purposes of the Act.

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 also will be available for inspection and copying at the principal office of EMCC. All submissions should refer to File No. SR-EMCC-98-06 and should be submitted by September 11, 1998.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40326; File No. SR-NSCC-98-08]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Amending the Securities Clearing Group Agreement

August 14, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on July 6, 1998, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

been prepared primarily by NSCC. The Commission is publishing this notice and order to solicit comments 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, Emerging Markets Clearing Corporation ("EMCC") and Delta Clearing Corp. ("DCC") will become members of the Securities Clearing Group ("SGC").

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

In its filing with the Commission, NSCC 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. NSCC 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

NSCC filed the proposed rule change on behalf of the SCG. The SCG was formed by seven registered clearing agencies under the terms of an agreement dated October 19, 1988 ("Agreement").³ On July 18, 1989, the Commission approved the Agreement, which sets forth the purpose of the SCG, the method of participation in the SCG, the legal considerations relevant to the SCG's goals, and the formation of the SCG.⁴

The goal of the SCG is to promote coordinated action among its members in identifying, addressing, and minimizing the risks and problems common to more than one clearing agency. The SCG strives to reduce risk posed by common participation by providing a framework in which its members share appropriate financial, operational, and clearing data of common participants.

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

³ The original members of the SCG were: NSCC, The Depository Trust Company, Midwest Clearing Corporation, Midwest Securities Trust Company, The Options Clearing Corporation, Philadelphia Depository Trust Company, and Stock Clearing Corporation of Philadelphia.

⁴ Securities Exchange Act Release No. 27044 (July 18, 1989) 58 FR 30963 (July 25, 1989) [File No. SR-NSCC-88-09].

The SCG believes that allowing EMCC and DCC to become SCG members will further the goals of the SCG. Both EMCC and DCC are clearing agencies and self-regulatory organizations as defined in sections 3(a)(23)(A) and 3(a)(26) of the Act.⁵ Both EMCC and DCC have participants in common with other SCG members and therefore share exposure to those common members. The SCG believes that allowing EMCC and DCC to become SCG members will expand the SCG's sources for information sharing and will enable the SCG to minimize risks to the national system for the clearance and settlement of securities transactions.

In its order approving the formation of the SCG, the Commission noted that a "nexus" exists among clearing agencies because of (1) common participants, (2) interfaces through which clearing agencies offer access to participants in other clearing agencies or access to services offered by other clearing agencies; (3) shared operational and financial exposure, and (4) common regulatory responsibilities.⁶ The SCG believes that the same "nexus" of common interests exists between the current SCG members and EMCC and DCC.

Pursuant to the terms of the Agreement, all of the current SCG members voted on May 12, 1998 to allow EMCC and DCC to become members of the SCG. Both EMCC and DCC have agreed to abide by the terms of the Agreement.

The SCG believes that allowing EMCC and DCC to become members of the SCG is consistent with the requirements of the Act and the rules and regulations thereunder because their inclusion should foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

⁵ 15 U.S.C. 78c(a)(23)(A) and 78c(a)(26). EMCC was formed by NSCC, the Emerging Markets Traders Association, and the International Securities Market Association for the purpose of facilitating the clearance and settlement of emerging market debt instruments. DCC is a clearing corporation for the clearance and settlement of repurchase agreements and over the counter options on U.S. government securities.

⁶ Securities Exchange Act Release No. 27044, *supra* note 4.

(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. The NSCC will notify the Commission of any written comments received by NSCC.

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

Section 17A(b)(3)(F) of the Act⁷ requires that the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The Commission believes that the proposed rule change is consistent with this obligation because the SCG enables its members to share appropriate financial, operational, and clearing data with respect to common participants. Because among other things, EMCC and DCC have common participants, the Commission believes that allowing EMCC and DCC to become members of the SCG should enhance cooperation and coordination among clearing agencies. Therefore, the Commission believes that the proposed rule change is consistent with the Act.

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 should allow the SCG members to begin exchanging information about common participants in a more timely fashion. Consequently, SCG members should be better equipped to assure the safeguarding of securities and funds in their custody and control or for which they are responsible and to minimize their financial risks.

IV. Solicitation of Comments

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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 also will be available for inspection and copying at the principal office of NSCC. All submissions should refer to File No. SR-NSCC-98-08 and should be submitted by September 11, 1998.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁸ that the proposed rule change (File No. SR-NSCC-98-08) be and hereby is approved.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-22479 Filed 8-20-98; 8:45 am]

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UNITED STATES SENTENCING COMMISSION

Sentencing Guidelines for United States Courts

AGENCY: United States Sentencing Commission.

ACTION: Request for public comment.

SUMMARY: Pursuant to its authority under 28 U.S.C. 994(o) and (p), and the "emergency authority" in section 6(d) of the Telemarketing Fraud Prevention Act of 1998, Pub. L. 105-184 (the "Act"), the Commission requests comment on several issues pertaining to the directive contained in the Act. Specifically, the Commission seeks comment on how the Act's directive, to substantially increase the penalties for persons convicted of offenses described in 18 U.S.C. 2326 in connection with the conduct of telemarketing fraud, interacts with the mass-marketing and sophisticated concealment amendments submitted to Congress by the Commission on May 1, 1998. (These amendments were published in the **Federal Register** of May 21, 1998 (63 FR 28203-04)).

DATES: Written public comment should be submitted to the Commission not later than September 10, 1998. The emergency authority provision of the Act requires the Commission to promulgate any necessary amendments and submit them to Congress not later than October 21, 1998.

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

⁷ 15 U.S.C. 78q-1(b)(3)(F).