

it is determined that this final rule does not have sufficient federalism implications to warrant the preparation of a Federalism Assessment.

Further, the FAA has determined that this regulation is noncontroversial and unlikely to result in adverse or negative comments and only involves an established body of technical regulations that require frequent and routine amendments to keep them operationally current. Therefore, I certify that this regulation (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) if promulgated, will not have a significant economic impact, positive or negative, on a substantial number of small entities under the criteria of the Regulatory Flexibility Act. Since this rule involves routine matters that will only affect air traffic procedures and air navigation, it does not warrant preparation of a Regulatory Flexibility Analysis because the anticipated impact is so minimal.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

Adoption of the Amendment

Accordingly, pursuant to the authority delegated to me, the Federal Aviation Administration amends 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.

* * * * *

ASW TX E5 Crockett, TX [New]

Houston County Airport, TX
(Lat. 31°18'21" N., long. 95°24'17" W.)

That airspace extending upward from 700 feet above the surface within a 6.4-mile radius of Houston County Airport.

* * * * *

Issued in Fort Worth, TX, on February 25, 1999.

Albert L. Viselli,

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

[FR Doc. 99-5390 Filed 3-4-99; 8:45 am]

BILLING CODE 4910-13-M

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-41116, International Series Release No. 1186, File No. S7-15-98]

RIN 3235-AH46

Exemption of the Securities of the Kingdom of Belgium Under the Securities Exchange Act of 1934 for Purposes of Trading Futures Contracts on Those Securities

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Securities and Exchange Commission is adopting an amendment to Rule 3a12-8 that would designate debt obligations issued by the Kingdom of Belgium as "exempted securities" for the purpose of marketing and trading of futures contracts on those securities in the United States. The amendment is intended to permit futures trading on the sovereign debt of Belgium.

EFFECTIVE DATE: March 5, 1999.

FOR FURTHER INFORMATION CONTACT: Joshua Kans, Attorney, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), Securities and Exchange Commission (Mail Stop 10-1), 450 Fifth Street, NW, Washington, DC 20549, at 202/942-0079.

SUPPLEMENTARY INFORMATION:

I. Introduction

Under the Commodity Exchange Act ("CEA"), it is unlawful to trade a futures contract on any individual security unless the security in question is an exempted security (other than a municipal security) under the Securities Act of 1933 ("Securities Act") or the Securities Exchange Act of 1934 ("Exchange Act"). Debt obligations of foreign governments are not exempted securities under either of these statutes. The Securities and Exchange Commission ("SEC" or "Commission"), however, has adopted Rule 3a12-8¹

¹ 17 CFR 240.3a12-8.

("Rule") under the Exchange Act to designate debt obligations issued by certain foreign governments as exempted securities under the Exchange Act solely for the purpose of marketing and trading futures contracts on those securities in the United States. As amended, the foreign governments currently designated in the Rule are Great Britain, Canada, Japan, Australia, France, New Zealand, Austria, Denmark, Finland, the Netherlands, Switzerland, Germany, the Republic of Ireland, Italy, Spain, Mexico, Brazil, Argentina, and Venezuela (the "Designated Foreign Governments"). As a result, futures contracts on the debt obligations of these countries may be sold in the United States, as long as the other terms of the Rule are satisfied.

On June 8, 1998, the Commission issued a release proposing to amend Rule 3a12-8 to designate the debt obligations of the Kingdom of Belgium ("Belgium") as exempted securities, solely for the purpose of futures trading.² No comment letters were received in response to the proposal.

The Commission today is adopting this amendment to the Rule, adding Belgium to the list of countries whose debt obligations are exempted by Rule 3a12-8. In order to qualify for the exemption, futures contracts on the debt obligations of Belgium would have to meet all the other existing requirements of the Rule.

II. Background

Rule 3a12-8 was adopted in 1984³ pursuant to the exemptive authority in Section 3(a)(12) of the Exchange Act in order to provide a limited exception from the CEA's prohibition on futures overlying individual securities.⁴ As originally adopted, the Rule provided that the debt obligations of Great Britain and Canada would be deemed to be exempted securities, solely for the purpose of permitting the offer, sale, and confirmation of "qualifying foreign

² See Securities Exchange Act Release No. 40077 ("Proposing Release") (June 8, 1998), 63 FR 32628 (June 15, 1998).

³ See Securities Exchange Act Release No. 20708 ("Original Adopting Release") (March 2, 1984), 49 FR 8595 (March 8, 1984); Securities Exchange Act Release No. 19811 ("Original Proposing Release") (May 25, 1983), 48 FR 24725 (June 2, 1983).

⁴ In approving the Futures Trading Act of 1982, Congress expressed its understanding that neither the SEC nor the Commodity Futures Trading Commission ("CFTC") had intended to bar the sale of futures on debt obligations of the United Kingdom of Great Britain and Northern Ireland to U.S. persons, and its expectation that administrative action would be taken to allow the sale of such futures contracts in the United States. See Original Proposing Release, *supra* note 3, 48 FR at 24725 (citing 128 Cong. Rec. H7492 (daily ed. September 23, 1982) (statements of Representatives Daschle and Wirth)).

futures contracts" on such securities. The securities in question were not eligible for the exemption if they were registered under the Securities Act or were the subject of any American depositary receipt so registered. A futures contract on the covered debt obligation under the Rule is deemed to be a "qualifying foreign futures contract" if the contract is deliverable outside the United States and is traded on a board of trade.⁵

The conditions imposed by the Rule were intended to facilitate the trading of futures contracts on foreign government securities in the United States while requiring offerings of foreign government securities to comply with the federal securities laws. Accordingly, the conditions set forth in the Rule were designed to ensure that, absent registration, a domestic market in unregistered foreign government securities would not develop, and that markets for futures on these instruments would not be used to avoid the securities law registration requirements. In particular, the Rule was intended to ensure that futures on exempted sovereign debt did not operate as a surrogate means of trading the unregistered debt.

Subsequently, the Commission amended the Rule to include the debt securities issued by Japan, Australia, France, New Zealand, Austria, Denmark, Finland, the Netherlands, Switzerland, Germany, Ireland, Italy, Spain, Mexico and, most recently, Brazil, Argentina, and Venezuela.⁶

⁵ As originally adopted, the Rule required that the board of trade be located in the country that issued the underlying securities. This requirement was eliminated in 1987. See Securities Exchange Act Release No. 24209 (March 12, 1987), 52 FR 8875 (March 20, 1987).

⁶ As originally adopted, the Rule applied only to British and Canadian government securities. See Original Adopting Release, *supra* note 3. In 1986, the Rule was amended to include Japanese government securities. See Securities Exchange Act Release No. 23423 (July 11, 1986), 51 FR 25996 (July 18, 1986). In 1987, the Rule was amended to include debt securities by Australia, France and New Zealand. See Securities Exchange Act Release No. 25072 (October 29, 1987), 52 FR 42277 (November 4, 1987). In 1988, the Rule was amended to include debt securities issued by Austria, Denmark, Finland, the Netherlands, Switzerland, and West Germany. See Securities Exchange Act Release No. 26217 (October 26, 1988), 53 FR 43860 (October 31, 1988). In 1992 the Rule was again amended to (1) include debt securities offered by the Republic of Ireland and Italy, (2) change the country designation of "West Germany" to the "Federal Republic of Germany," and (3) replace all references to the informal names of the countries listed in the Rule with references to their official names. See Securities Exchange Act Release No. 30166 (January 8, 1992), 57 FR 1375 (January 14, 1992). In 1994, the Rule was amended to include debt securities issued by Spain. See Securities Exchange Act Release No. 34908 (October 27, 1994), 59 FR 54812 (November 2, 1994). In 1995, the Rule

In 1997, Belfox *c.v./s.c.* ("Belfox"), the Belgian company recognized as the institution to organize and administer the Belgian Futures and Options Exchange ("BELFOX"), proposed that the Commission amend Rule 3a12-8 to facilitate such trading in futures products based on the sovereign debt of Belgium.⁷ At the time, BELFOX listed two futures contracts overlying Belgian public debt securities, and stated that it wished to market and make trading of those products available to U.S. investors.⁸

Belfox subsequently delisted its futures contracts on Belgian sovereign debt, and has stated that it does not presently intend to list any additional futures contracts on Belgian sovereign debt.⁹ Belfox has not withdrawn its request, however, and the Belgian Ministry of Finance has expressed the hope that Belgium will be added to the Rule so that Belgian debt securities may form part of the pool of securities that underlie multi-issuer futures contracts traded in Paris on the March a Terme International de France SA ("MATIF").¹⁰

The Commission is amending Rule 3a12-8 to add Belgium to the list of countries whose debt obligations are deemed to be "exempted securities" under the terms of the Rule. Under this amendment, the existing conditions set

was amended to include the debt securities of Mexico. See Securities Exchange Act Release No. 36530 (November 30, 1995), 60 FR 62323 (December 6, 1995). Finally, in 1996, the Rule was amended to include debt securities issued by Brazil, Argentina, and Venezuela. See Securities Exchange Act Release No. 36940 (March 7, 1996), 61 FR 10271 (March 13, 1996).

⁷ See Letters from Jos Schmitt, President and Chief Executive Officer, Belfox, to Arthur Levitt, Jr., Chairman, Commission, dated June 27, 1997, to Howard L. Kramer, Senior Associate Director, Division, Commission, dated August 29, 1997, and to Howard L. Kramer, Division of Commission, dated February 10, 1998 (collectively "Belfox petition").

⁸ The marketing and trading of foreign futures contracts is subject to regulation by the CFTC.

⁹ See Conversation between Jos Schmitt, Belfox, and Joshua Kans, Attorney, Division, Commission, September 28, 1998.

¹⁰ See Conversation between Louis de Montpellier, General Advisor, Treasury, Ministry of Finance, Kingdom of Belgium, and Joshua Kans, Attorney, Division, Commission, September 28, 1998.

Each of the multi-issuer sovereign debt futures contracts currently traded on the MATIF has a pool of deliverable securities that contains only the sovereign debt securities of countries designated under the Rule. Should the delivery pool for any sovereign debt futures contract include sovereign debt securities of countries not designated under the Rule, then that contract would not be eligible for marketing or sales to U.S. persons pursuant to the Rule. See Letter from Howard Kramer, Senior Special Counsel, Division, Commission, to Philip Bruce, Head of Fixed Income and Money Market Instruments, London International Financial Futures Exchange, dated July 21, 1992.

forth in the Rule (*i.e.*, that the underlying securities not be registered in the United States, that futures contracts require delivery outside the United States, and that contracts be traded on a board of trade) would continue to apply.

III. Discussion

For the reasons discussed below, the Commission finds that it is consistent with the public interest and the protection of investors that Rule 3a12-8 be amended to include the sovereign debt obligations of Belgium. The Commission believes that the trading of futures contracts on the sovereign debt of Belgium could provide U.S. investors and dealers with a vehicle for hedging the risks involved in holding debt instruments of Belgium, and that the sovereign debt of Belgium should be subject to the same regulatory treatment under the Rule as that of the Designated Foreign Governments.

In the most recent determinations to amend the Rule to include Mexico, Brazil, Argentina, and Venezuela, the Commission considered primarily whether market evidence indicated that an active and liquid secondary trading market exists for the sovereign debt of those countries.¹¹ Prior to the addition of those countries to the Rule, the Commission considered principally whether the particular sovereign debt had been rated in one of the two highest rating categories¹² by at least two nationally recognized statistical rating organizations ("NRSROs").¹³ The Commission continues to consider the existence of a high credit rating as indirect evidence of an active and liquid

¹¹ See, *e.g.*, Securities Exchange Act Release No. 36530 (November 30, 1995), 60 FR 62323 (December 6, 1995) (amending the Rule to add Mexico because the Commission believed that as a whole, the market for Mexican sovereign debt was sufficiently liquid and deep for the purposes of the Rule); Securities Exchange Act Release No. 36940 (March 7, 1996), 61 FR 10271 (March 13, 1996) (amending the Rule to add Brazil, Argentina and Venezuela because the Commission believed that the market for the sovereign debt of those countries was sufficiently liquid and deep for the purposes of the Rule).

¹² The two highest categories used by Moody's Investor Services ("Moody's") for long-term debt are "Aaa" and "Aa." The two highest categories used by Standard and Poor's ("S&P") for long-term debt are "AAA" and "AA."

¹³ See, *e.g.*, Securities Exchange Act Release No. 30166 (January 6, 1992) 57 FR 1375 (January 14, 1992) (amending the Rule to include debt securities issued by Ireland and Italy—Ireland's long-term sovereign debt was rated Aa3 by Moody's and AA—by S&P, and Italy's long-term sovereign debt was rated Aaa by Moody's and AA+ by S&P); and Securities Exchange Act Release No. 34908 (October 27, 1994), 59 FR 54812 (November 2, 1994) (amending the Rule to include Spain, which had long-term debt ratings of Aa2 from Moody's and AA from S&P).

secondary trading market,¹⁴ as well as considering trading data as evidence of an active and liquid secondary trading market for the security, when determining whether to include a sovereign issuer in the list of Designated Foreign Governments.

Belgium meets the debt rating standard, by being rated in one of the two highest rating categories by two NRSROs.¹⁵ Moreover, trading data also indicates that an active and liquid trading market for Belgian issued debt instruments exists. Belfox and the Ministry of Finance have provided data about the Belgian public debt¹⁶ and the market for Linear bonds ("Obligations

¹⁴ See, e.g., Securities Exchange Act Release No. 36213 (September 11, 1995), 60 FR 48078 (September 18, 1995) (proposal to add Mexico to list of countries encompassed by rule); Securities Exchange Act Release No. 24428 (May 5, 1987), 52 FR 18237 (May 14, 1987) (proposed amendment, which was not implemented, that would have extended the rule to encompass all countries rated in one of the two highest categories by at least two NRSROs).

¹⁵ Moody's has assigned Belgium long-term local currency and long-term foreign currency credit ratings of Aa1. S&P has assigned Belgium long-term local currency and long-term foreign-currency credit ratings of AA+.

The Belgian public debt is principally denominated in Belgian francs ("BEF"). The portion of Belgian public debt denominated in foreign currencies was 8.0% in 1997, 7.6% in 1996, 11.4% in 1995 and 14.5% in 1994. See *Public Debt: Annual Report 1997*, Ministry of Finance, Kingdom of Belgium, April 1998, at 13 ("Public Debt 1997"); *Public Debt: Annual Report 1996*, Ministry of Finance, Kingdom of Belgium, April 1997, at 13 ("Public Debt 1996"); *Public Debt: Annual Report 1995*, Ministry of Finance, Kingdom of Belgium, May 1996, at 13 ("Public Debt 1995").

The Belgian Ministry of Finance has stated that all "dematerialized" Belgian public debt (i.e., debt that is not held in a tangible form) denominated in Belgian francs would be redenominated into euros on January 1, 1999. See *Public Debt 1997* at 26.

¹⁶ Belgian public debt is comprised of government bonds, Treasury bills and various debt instruments of lesser importance, such as road fund loans, and municipal and provincial loans. See Belfox petition, *supra* note 7.

The amount of Belgian public debt outstanding was equivalent to approximately US\$264.31 billion as of December 31, 1997, approximately US\$258.92 billion at the end of 1996, approximately US\$256.86 billion at the end of 1995, and approximately US\$251.64 billion at the end of 1994. See *Public Debt 1997* at 12; *Public Debt 1996* at 12; *Public Debt 1995* at 12. All U.S. dollar equivalents set forth here are based on the conversion rate of BEF 37.10 for US\$1.00 in effect as of December 31, 1997.

By comparison, the last four countries to be added to the list of Designated Foreign Governments—Mexico, Brazil, Argentina and Venezuela—had lower amounts of public debt. See Securities Exchange Act Release No. 36530 (December 6, 1995), 60 FR 62323 (December 6, 1995) (outstanding Mexican government debt amounted to approximately US\$87.5 billion face value as of March 31, 1995); Securities Exchange Act Release No. 36940 (March 7, 1996), 61 FR 10271 (March 13, 1996) (public and publicly guaranteed debt of Brazil, Argentina and Venezuela amounted to approximately US\$86 billion, US\$55 billion and US\$74 billion, respectively, as of December 31, 1993).

Linéaires—Lineaire Obligations" or "OLOs"), which comprise a major portion of the Belgian public debt.¹⁷ That data demonstrates active trading in the market for Belgian OLOs. The total value traded in OLOs on an annual basis was equivalent to approximately US\$1.89 trillion in 1997, US\$1.86 trillion in 1996, US\$1.70 trillion in 1995, and US\$1.30 trillion in 1994. The average value traded in OLOs on a daily basis was equivalent to approximately US\$7.60 billion in 1997, US\$7.44 billion in 1996, US\$6.79 billion in 1995, and US\$5.23 billion in 1994. The average number of trades on a daily basis involving OLOs was approximately 472, 571, 614, and 636 for 1997, 1996, 1995 and 1994, respectively.¹⁸ The Commission finds that this trading data, coupled with a high debt rating, provides sufficient evidence that there exists an active and liquid market for Belgian sovereign debt.

IV. Costs and Benefits of the Proposed Amendments

The Commission believes that the amendment offers potential benefits for U.S. investors, with no direct costs. As stated above, the amendment will allow U.S. and foreign boards of trade to offer in the United States, and U.S. investors to trade, futures contracts on the debt obligations of Belgium. The trading of futures on the sovereign debt of Belgium should provide U.S. investors with a vehicle for hedging the risks involved in the trading of the underlying sovereign

¹⁷ OLOs, which are issued by means of a price auction system, have maturities ranging from 1 to 30 years and are available with fixed or variable interest rate payments. Only those holding a Linear bond account with the National Bank of Belgium may participate in the auction for these bonds. OLOs are traded on the Brussels Stock Exchange and over the counter. OLOs do not exist physically, but appear as entries in an electronic register held by the National Bank of Belgium. See *The Financial Products of the Belgian Treasury*, The Treasury, Kingdom of Belgium, September 1998, at 12-17; Belfox petition, *supra* note 7.

OLOs represented 54.3% percent of the total amount of Belgian public debt outstanding in 1997, 53.6% in 1996, 50.6% in 1995 and 44.6% in 1994. The amount of OLOs outstanding was equivalent to approximately US\$143.50 billion at the end of 1997, US\$138.79 billion at the end of 1996, US\$130.01 billion at the end of 1995, and US\$112.27 billion at the end of 1994. See *Public Debt 1997* at 12; *Public Debt 1996* at 12; *Public Debt 1995* at 12.

The majority of OLOs are denominated in Belgian francs, with some OLOs issued in the past year denominated in French francs and German marks. All existing OLOs were to be redenominated into euros at the start of 1999. See *Public Debt 1997* at 25-26.

¹⁸ See *Public Debt 1997* at 41; *Public Debt 1996* at 41; *Public Debt 1995* at 41; Belfox petition, *supra* note 7.

debt of Belgium.¹⁹ The Commission does not anticipate that the amendment will result in any direct cost for U.S. investors or others because the amendment will impose no recordkeeping or compliance burdens, and merely would provide a limited purpose exemption under the federal securities laws. The restrictions imposed under the amendment are identical to the restrictions currently imposed under the terms of the Rule and are designed to protect U.S. investors.

V. Effects of the Proposed Amendment on Competition, Efficiency and Capital Formation, and Other Findings

Section 23(a)(2) of the Exchange Act²⁰ requires the Commission, in adopting rules under the Exchange Act, to consider the competitive effects of such rules, if any, and to refrain from adopting a rule that would impose a burden on competition not necessary or appropriate in furthering the purposes of the Exchange Act. Moreover, Section 3 of the Exchange Act²¹ as amended by the National Securities Markets Improvement Act of 1996²² provides that whenever the Commission is engaged in a rulemaking and is required to consider or determine whether an action is necessary or appropriate in the public interest, the Commission shall consider, in addition to the protection of investors, whether the action will promote efficiency, competition and capital formation.

The Commission has considered the amendment to the Rule in light of the standards cited in Sections 3 and 23(a)(2), and the Commission believes that adoption of the amendment will not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. As stated above, the amendment is designed to assure the lawful availability in this country of futures contracts on the government debt of Belgium that otherwise would not be permitted to be marketed under the terms of the CEA. The amendment thus serves to expand the range of financial products available in the United States and enhances competition in financial markets. The Commission has considered the amendment's impact on

¹⁹ There may be significant interest in such futures. For example, the MATIF has estimated that the Euro All Sovereign futures contract, which is one of the multi-issuer futures contracts that would likely include Belgian sovereign debt within the pool of deliverable securities, will have a total trading volume of at least 10,000 lots per day.

²⁰ 15 U.S.C. 78w(a)(2).

²¹ 15 U.S.C. 78c.

²² Pub. L. 104-290, 110 Stat. 3416 (1996).

efficiency, competition, and capital formation and concludes that it would promote these three objectives, by making available to U.S. investors an additional product to use to hedge the risks associated with the trading of the underlying sovereign debt of Belgium.²³ Insofar as the Rule contains limitations, they are designed to promote the purposes of the Exchange Act by ensuring that futures trading on government securities of Belgium is consistent with the goals and purposes of the federal securities laws by minimizing the impact of the Rule on securities trading and distribution in the United States.

Because the amendment to the Rule is exemptive in nature, the Commission has determined to make the foregoing action effective immediately upon publication in the **Federal Register**.²⁴

VI. Administrative Requirements

Pursuant to Section 605(b) of the Regulatory Flexibility Act, 5 U.S.C. 605(h), the Chairman of the Commission has certified in connection with the Proposing Release that this amendment, if adopted, would not have a significant economic impact on a substantial number of small entities. The Commission received no comments on this certification.

The Paperwork Reduction Act does not apply because the amendment does not impose recordkeeping or information collection requirements, or other collections of information which require the approval of the Office of Management and Budget under 44 U.S.C. 3501, *et seq.*

VII. Statutory Basis

The amendment to Rule 3a12-8 is being adopted pursuant to 15 U.S.C. 78a *et seq.*, particularly Sections 3(a)(12) and 23(a), 15 U.S.C. 78c(a)(12) and 78w(a).

List of Subjects in 17 CFR Part 240

Reporting and recordkeeping requirements, Securities.

Text of the Amendment

For the reasons set forth in the preamble, the Commission amends part 240 of chapter II, title 17 of the *Code of Federal Regulations* as follows:

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

1. 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.

* * * * *

2. Section 240.3a12-8 is amended by removing the word "or" at the end of paragraph (a)(1)(xviii), removing the period at the end of paragraph (a)(1)(xix) and adding "; or" in its place, and adding paragraph (a)(1)(xx), to read as follows:

§ 240.3a12-8 Exemption for designated foreign government securities for purposes of futures trading.

(a) * * *
(1) * * *
(xx) The Kingdom of Belgium.

* * * * *

Dated: February 26, 1999.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-5445 Filed 3-4-99; 8:45 am]

BILLING CODE 8010-01-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 180

[OPP-300793; FRL-6059-4]

RIN 2070-AB78

Oxirane, methyl-, polymer with oxirane, mono [2-(2-butoxyethoxy)ethyl]ether; Exemption from the Requirement of a Tolerance

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: This regulation establishes an exemption from the requirement of a tolerance for residues of the oxirane, methyl-, polymer with oxirane, mono [2-(2-butoxyethoxy)ethyl]ether when used as inert ingredients applied/used as dispersant, emulsifier, surfactant, or adjuvant. ICI Surfactants submitted a petition to EPA under the Federal Food, Drug, and Cosmetic Act, as amended by the Food Quality Protection Act of 1996 requesting an exemption from the requirement of a tolerance. This regulation eliminates the need to establish a maximum permissible level for residues of oxirane, methyl-, polymer with oxirane, mono[2-(2-butoxyethoxy)ethyl]ether.

DATES: This regulation is effective March 5, 1999. Objections and requests for hearings must be received by EPA on or before May 4, 1999.

ADDRESSES: Written objections and hearing requests, identified by the docket control number [OPP-300793], must be submitted to: Hearing Clerk (1900), Environmental Protection Agency, Rm. M3708, 401 M St., SW., Washington, DC 20460. Fees accompanying objections and hearing requests shall be labeled "Tolerance Petition Fees" and forwarded to: EPA Headquarters Accounting Operations Branch, OPP (Tolerance Fees) and forwarded to: EPA Headquarters Accounting Operations Branch, OPP (Tolerance Fees), P.O. Box 360277M, Pittsburgh, PA 15251. A copy of any objections and hearing requests filed with the Hearing Clerk identified by the docket control number, [OPP-300793], must also be submitted to: Public Information and Records Integrity Branch, Information Resources and Services Division (7502C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. In person, bring a copy of objections and hearing requests to Rm. 119, Crystal Mall #2, 1921 Jefferson Davis Hwy., Arlington, VA.

A copy of objections and hearing requests filed with the Hearing Clerk may be submitted electronically by sending electronic mail (e-mail) to: opp-docket@epa.gov. Copies of electronic objections and hearing requests must be submitted as an ASCII file avoiding the use of special characters and any form of encryption. Copies of electronic objections and hearing requests will also be accepted on disks in WordPerfect 5.1/6.1 file format or ASCII file format. All copies of electronic objections and hearing requests must be identified by the docket number [OPP-300793]. No Confidential Business Information (CBI) should be submitted through e-mail. Copies of electronic objections and hearing requests on this rule may be filed online at many Federal Depository Libraries.

FOR FURTHER INFORMATION CONTACT: By mail: Bipin Gandhi, Registration Division (7505C), Office of Pesticide Programs, Environmental Protection Agency, 401 M St., SW., Washington, DC 20460. Office location, telephone number, and e-mail address: Rm. 707A, Crystal Mall #2, 1921 Jefferson Davis Hwy., Arlington, VA, 703-308-8380, e-mail: gandhi.bipin@epa.gov.

SUPPLEMENTARY INFORMATION: In the **Federal Register** of July 28, 1998 (63 FR 40273) (FRL-5799-3), EPA issued a notice pursuant to section 408 of the Federal Food, Drug, and Cosmetic Act (FFDCA), 21 U.S.C. 346a, as amended by the Food Quality Protection Act of

²³ 15 U.S.C. 78f(b).

²⁴ 5 U.S.C. 553(d).