

the end of each reporting period, a report with respect to each pool under its control. Each such report shall contain the name and address of the reporting person, the name of the pool with respect to which the report is being filed, and the following information:

(1) Financial information:

- (i) A statement of financial condition as of the end of the reporting period;
- (ii) A statement of income or loss for the reporting period;
- (iii) A statement of changes in financial position for the reporting period; and
- (iv) A statement of changes in net asset value over the reporting period which shall be prepared in accordance with § 4.22(a)(2).

(2) Risk information:

- (i) The highest, lowest, and last VAR for the pool during the reporting period at each confidence level and holding period for which it was calculated by the reporting person; provided that VAR calculated for confidence intervals in excess of 99.6% need not be reported;
- (ii) (A) For each holding period for which the reporting person calculated VAR, the number of occasions, if any, on which losses exceeded the corresponding VAR calculated for that holding period at the greatest confidence interval, not in excess of 99.6%, for which VAR was calculated by the reporting person and

(B) The dollar amount of the greatest loss during the reporting period, whether or not it exceeded the corresponding VAR;

(iii) A brief discussion of whether, during the quarter, stress tests were performed with respect to the pool's positions and, if so, whether the results thereof were reported to senior management and the governing authority; and

(iv) Any additional information which the reporting person wishes to present to supplement the information in paragraph (d)(2) of this section.

(3) Changes in risk management practices: If, for any pool controlled by the reporting person, there is any material change to the information provided pursuant to paragraph (c) of this section, as modified by previous submissions pursuant to this paragraph (d)(3) concerning that pool, the reporting person shall submit a revised set of responses pursuant to paragraph (c) of this section.

(4) All financial information shall be reported in accordance with generally accepted accounting principles consistently applied.

(e) Filing requirements. Each report required to be filed with the Commission under this section shall:

(1) Be signed in accordance with the requirements of § 4.22(h); and

(2) Be sent via first-class mail, postage prepaid, to: Commodity Futures Trading Commission, Three Lafayette Centre, 1155—21st Street, NW., Washington, DC 20581, Attention: Managed Funds Branch, and by attachment to an e-mail message addressed and sent to [hfreport@cftc.gov](mailto:hfreport@cftc.gov) with electronic confirmation of delivery activated.

(3) Copies of reports shall be retained in accordance with § 1.31.

(f) Public records. Reports filed pursuant to this section shall be considered Public Records as defined in § 145.0 of this chapter.

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Issued in Washington, DC, on April 11, 2000 by the Commission.

**Jean A. Webb,**

*Secretary of the Commission,*

**Dissenting Remarks of Commissioner Barbara Pedersen Holum, Proposed Rule 4.27; Reporting by Operators of Certain Large Commodity Pools**

In April 1999, the President's Working Group on Financial Markets issued a report entitled "Hedge Funds, Leverage, and the Lessons of Long-Term Capital Management" (the "PWG Report"). Among other things, the PWG Report recommended (i) that registered CPOs operating large funds begin filing with the Commission quarterly, (ii) that the reports include more comprehensive information on market risk, and (iii) that information in the reports be published.

These recommendations respond to events occurring twenty months ago. However, market developments since then call into question whether a specific prescriptive rule, such as proposed Rule 4.27, is the appropriate response at this time.

In my judgement, and in light of the recommendations of the CFTC staff task force report entitled "A New Regulatory Framework," the Commission should seek comment on whether the specific recommendations of the PWG Report remain current and, if so, how best to achieve them. For these reasons, I respectfully dissent from the Commission's issuance of proposed Rule 4.27.

Commissioner Barbara Pedersen Holum  
Date: April 7, 2000.

Concurring Statement of Commissioner Erickson

I concur with the Commission's publication of the proposed rules that would require commodity pool operators (CPOs) of the largest commodity pools to file quarterly reports with the Commission. Given that the proposed rules are intended to respond to the events surrounding the near-collapse of Long-Term Capital Management (LTCM), comments from the public and especially from the industry will be instructive in the Commission's efforts to craft an approach that is indeed effective. In addition to comments limited to the proposed rule, I am interested in comments that will inform the

Commission about how the industry has addressed the potential risks posed by certain highly leveraged institutions since the LTCM episode. Moreover, I encourage the submission of comments that provide input on the following issues:

1. The proposed rules envision a reporting system whereby the Commission is essentially a conduit for the public dissemination of quarterly reports without any further review by any federal financial regulator. Is publication alone sufficient?

2. It is not clear that reporting on a quarterly basis would have been sufficient to address the events precipitating the private rescue of LTCM. Assuming that reporting alone is an adequate response, would quarterly reporting be effective?

3. The April 1999 report of the President's Working Group on Financial Markets concluded that the "central public policy issue raised by the LTCM episode is how to constrain excessive leverage more effectively." One possible way to address leverage concerns would be to require CPOs to provide the Commission with a confidential early warning notification structured similar to the Commission's existing notification requirement with respect to net capital requirements for futures commission merchants. Such an approach may address publicly expressed concerns about the quantity and quality of the information available to federal financial regulators in the weeks preceding LTCM. What are the public policy implications of such an approach—either in addition to or in lieu of quarterly reports?

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## DEPARTMENT OF THE TREASURY

### Internal Revenue Service

#### 26 CFR Part 1

[REG-116048-99]

RIN 1545-AX63

#### Stock Transfer Rules: Supplemental Rules; Hearing Cancellation

**AGENCY:** Internal Revenue Service (IRS), Treasury.

**ACTION:** Cancellation of notice of public hearing on proposed rulemaking.

**SUMMARY:** This document provides notice of cancellation of a public hearing on proposed regulations relating to supplemental rules for stock transfers.

**DATES:** The public hearing originally scheduled for Thursday, April 20, 2000, at 10 a.m., is canceled.

**FOR FURTHER INFORMATION CONTACT:** Guy Traynor of the Regulations Unit, Assistant Chief Counsel (Corporate), (202) 622-7180 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** A notice of proposed rulemaking and notice of

public hearing that appeared in the **Federal Register** on January 24, 2000, (65 FR 3629), announced that a public hearing was scheduled for April 20, 2000 at 10 a.m., in room 2615, Internal Revenue Building, 1111 Constitution Avenue NW., Washington, DC. The subject of the public hearing is proposed regulations under section 367(b), of the Internal Revenue Code. The deadline for requests to speak and outlines of oral comments expired on March 31, 2000.

The notice of proposed rulemaking and notice of public hearing, instructed those interested in testifying at the public hearing to submit a request to speak and an outline of the topics to be addressed. As of April 11, 2000, no one has requested to speak. Therefore, the public hearing scheduled for April 20, 2000, is cancelled.

**Cynthia E. Grigsby,**  
Chief, Regulations Unit, Assistant Chief  
Counsel (Corporate).

[FR Doc. 00-9409 Filed 4-14-00; 8:45 am]

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## ENVIRONMENTAL PROTECTION AGENCY

### 40 CFR Part 52

[IL196-1; MO-097-1097; FRL-6578-2]

#### Approval and Promulgation of Implementation Plans; Illinois and Missouri; Ozone

**AGENCY:** Environmental Protection  
Agency.

**ACTION:** Proposed rule.

**SUMMARY:** The Environmental Protection Agency (EPA) is proposing to approve the Illinois and Missouri 1-hour ozone attainment demonstration State Implementation Plans (SIPs) for the St. Louis moderate ozone nonattainment area. The attainment demonstration SIPs are addressed in Illinois Environmental Protection Agency (IEPA) submittals dated November 15, 1999 and February 10, 2000 and in Missouri Department of Natural Resources (MDNR) submittals dated November 10, 1999 and January 19, 2000. In the alternative, the EPA is proposing to disapprove the attainment demonstration if: Illinois and Missouri do not revise the attainment demonstration modeling and analyses to incorporate corrections to the 1996 base year emissions inventory and successfully demonstrate attainment of the 1-hour standard based on the revised modeling; Illinois or Missouri do not submit proposed regional Oxides of Nitrogen (NO<sub>x</sub>) emission control regulations for Electric Generating Units

(EGUs) by June 2000 and final adopted regional (NO<sub>x</sub>) emission control regulations for EGUs by December 2000; or Missouri does not submit a proposed motor vehicle emissions budget by June 30, 2000. The EPA is proposing to: approve an exemption from (NO<sub>x</sub>) emission control requirements for Reasonably Available Control Technology (RACT) for the Illinois portion of the St. Louis ozone nonattainment area; extend the ozone attainment date for the entire St. Louis ozone nonattainment area to November 15, 2003 while retaining the area's current classification as a moderate ozone nonattainment area; and approve the transportation conformity motor vehicle emissions budget submitted by Illinois for the Illinois portion of the St. Louis ozone nonattainment area. The final approvals of the extension of the ozone attainment date and the motor vehicle emissions budgets are contingent on the final approval of the ozone attainment demonstration. The final approval of the attainment demonstration is contingent on the final approval of the regional (NO<sub>x</sub>) emission control regulations and on the submittal of adequate motor vehicle emissions budgets. The final approval of the (NO<sub>x</sub>) RACT exemption for Illinois is contingent on the final approval of an attainment demonstration that does not rely on (NO<sub>x</sub>) emission reductions resulting from (NO<sub>x</sub>) RACT implementation in the Illinois portion of the St. Louis nonattainment area. The EPA is proposing to disapprove Illinois' request for exemption from (NO<sub>x</sub>) requirements for New Source Review (NSR) and general conformity.

**DATES:** Written comments must be received on or before June 16, 2000.

**ADDRESSES:** Written comments should be sent to: Jay Bortzer, Chief, Regulation Development Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, 77 West Jackson Boulevard, Chicago, Illinois 60604; or Wayne Leidwanger, Chief, Air Planning and Development Branch, U.S. Environmental Protection Agency, 901 North 5th Street, Kansas City, Kansas 66101.

Copies of the States' submittals and EPA's Technical Support Document (TSD) for this proposed rule, and other relevant materials are available for public inspection during normal business hours at the following addresses: United States Environmental Protection Agency, Region 5, Air and Radiation Division, 77 West Jackson Boulevard, Chicago, Illinois 60604 (please telephone Mark Palermo at (312) 886-6082 before visiting the Region 5

office); United States Environmental Protection Agency, Region 7, Air, Radiation, and Toxics Division, 901 North 5th Street, Kansas City, Kansas 66101.

**FOR FURTHER INFORMATION CONTACT:**  
Edward Doty, Regulation Development Section, Air Programs Branch (AR-18J), U.S. Environmental Protection Agency, Region 5, 77 West Jackson Boulevard, Chicago, Illinois 60604, Telephone Number (312) 886-6057, E-Mail Address: doty.edward@epamail.epa.gov; or Aaron Worstell, Air Planning and Development Branch, U.S. Environmental Protection Agency, Region 7, 901 North 5th Street, Kansas City, Kansas 66101, Telephone Number (913) 551-7787, E-Mail Address: worstell.aaron@epa.gov.

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#### I. Background

##### A. Basis for the States' Attainment Demonstration SIPs

What are the Relevant Clean Air Act Requirements?

The Clean Air Act (Act) requires the EPA to establish National Ambient Air Quality Standards (NAAQS) for certain widespread pollutants that cause or contribute to air pollution that is reasonably anticipated to endanger public health or welfare. Clean Air Act