

and multiemployer withdrawal liability under part 4219 apply to interest accruing during the first quarter (January through March) of 1999.

**FOR FURTHER INFORMATION CONTACT:** Harold J. Ashner, Assistant General Counsel, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202-326-4024. (For TTY/TDD users, call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4024.)

**SUPPLEMENTARY INFORMATION:**

**Variable-Rate Premiums**

Section 4006(a)(3)(E)(iii)(II) of the Employee Retirement Income Security Act of 1974 (ERISA) and § 4006.4(b)(1) of the PBGC's regulation on Premium Rates (29 CFR part 4006) prescribe use of an assumed interest rate in determining a single-employer plan's variable-rate premium. The rate is the "applicable percentage" (currently 85 percent) of the annual yield on 30-year Treasury securities for the month preceding the beginning of the plan year for which premiums are being paid (the "premium payment year"). The yield figure is reported in Federal Reserve Statistical Releases G.13 and H.15.

The assumed interest rate to be used in determining variable-rate premiums for premium payment years beginning in January 1999 is 4.30 percent (*i.e.*, 85 percent of the 5.06 percent yield figure for December 1998).

The following table lists the assumed interest rates to be used in determining variable-rate premiums for premium payment years beginning between February 1998 and January 1999.

For premium payment years beginning in	The assumed interest rate is
February 1998 .....	4.94
March 1998 .....	5.01
April 1998 .....	5.06
May 1998 .....	5.03
June 1998 .....	5.04
July 1998 .....	4.85
August 1998 .....	4.83
September 1998 .....	4.71
October 1998 .....	4.42
November 1998 .....	4.26
December 1998 .....	4.46
January 1999 .....	4.30

**Late Premium Payments; Underpayments and Overpayments of Single-Employer Plan Termination Liability**

Section 4007(b) of ERISA and § 4007.7(a) of the PBGC's regulation on Payment of Premiums (29 CFR part 4007) require the payment of interest on

late premium payments at the rate established under section 6601 of the Internal Revenue Code. Similarly, § 4062.7 of the PBGC's regulation on Liability for Termination of Single-employer Plans (29 CFR part 4062) requires that interest be charged or credited at the section 6601 rate on underpayments and overpayments of employer liability under section 4062 of ERISA. The section 6601 rate is established periodically (currently quarterly) by the Internal Revenue Service. The rate applicable to the first quarter (January through March) of 1999, as announced by the IRS, is 7 percent.

The following table lists the late payment interest rates for premiums and employer liability for the specified time periods:

From—	Through—	Interest rate (percent)
10/1/92 .....	6/30/94	7
7/1/94 .....	9/30/94	8
10/1/94 .....	3/31/95	9
4/1/95 .....	6/30/95	10
7/1/95 .....	3/31/96	9
4/1/96 .....	6/30/96	8
7/1/96 .....	12/31/96	9
1/1/97 .....	3/31/97	9
4/1/97 .....	6/30/97	9
7/1/97 .....	9/30/97	9
10/1/97 .....	12/31/97	9
1/1/98 .....	3/31/98	9
4/1/98 .....	6/30/98	8
7/1/98 .....	9/30/98	8
10/1/98 .....	12/31/98	8
1/1/99 .....	3/31/99	7

**Underpayments and Overpayments of Multiemployer Withdrawal Liability**

Section 4219.32(b) of the PBGC's regulation on Notice, Collection, and Redetermination of Withdrawal Liability (29 CFR part 4219) specifies the rate at which a multiemployer plan is to charge or credit interest on underpayments and overpayments of withdrawal liability under section 4219 of ERISA unless an applicable plan provision provides otherwise. For interest accruing during any calendar quarter, the specified rate is the average quoted prime rate on short-term commercial loans for the fifteenth day (or the next business day if the fifteenth day is not a business day) of the month preceding the beginning of the quarter, as reported by the Board of Governors of the Federal Reserve System in Statistical Release H.15 ("Selected Interest Rates"). The rate for the first quarter (January through March) of 1999 (*i.e.*, the rate reported for December 15, 1998) is 7.75 percent.

The following table lists the withdrawal liability underpayment and

overpayment interest rates for the specified time periods:

From	Through	Rate (percent)
10/1/92 .....	6/30/94	6.00
7/1/94 .....	9/30/94	7.25
10/1/94 .....	12/31/94	7.75
1/1/95 .....	3/31/95	8.50
4/1/95 .....	9/30/95	9.00
10/1/95 .....	3/31/96	8.75
4/1/96 .....	12/31/96	8.25
1/1/97 .....	3/31/97	8.25
4/1/97 .....	6/30/97	8.25
7/1/97 .....	9/30/97	8.50
10/1/97 .....	12/31/97	8.50
1/1/98 .....	3/31/98	8.50
4/1/98 .....	6/30/98	8.50
7/1/98 .....	9/30/98	8.50
10/1/98 .....	12/31/98	8.50
1/1/99 .....	3/31/99	7.75

**Multiemployer Plan Valuations Following Mass Withdrawal**

The PBGC's regulation on Duties of Plan Sponsor Following Mass Withdrawal (29 CFR part 4281) prescribes the use of interest assumptions under the PBGC's regulation on Allocation of Assets in Single-employer Plans (29 CFR part 4044). The interest assumptions applicable to valuation dates in February 1999 under part 4044 are contained in an amendment to part 4044 published elsewhere in today's **Federal Register**. Tables showing the assumptions applicable to prior periods are codified in appendix B to 29 CFR part 4044.

Issued in Washington, DC, on this 11th day of January 1999.

**David M. Strauss,**

*Executive Director, Pension Benefit Guaranty Corporation.*

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**POSTAL SERVICE**

**Notice of Meeting**

**AGENCY:** Postal Service.

**ACTION:** Notice of meeting.

**SUMMARY:** The U.S. Department of State will hold a briefing meeting January 26, 1999, for the public and for U.S. government agency representatives on international postal issues in the Universal Postal Union (UPU). The meeting is part of the process of formulating U.S. policies in preparation for the Universal Postal Union Congress to be held in Beijing, China from August 23 through September 15, 1999. The agenda will include briefings on the World Customs Organization and plans

for a joint World Customs Organization-UPU survey, and a review of current proposals within the UPU for changes to the terminal dues system. Participants will have an opportunity to express views during the meeting. Written comments on subjects to be covered at the meeting will be accepted at any time before or after this meeting and will be made available to interested parties.

*Meeting date and time:* January 26, 1999, 2:00–5:00 p.m.

*Meeting place:* Room 1107, 2201 “C” Street N.W., Washington, DC 20520–0001.

**FOR FURTHER INFORMATION CONTACT:** Ann Galer Ryan, (202) 647–1526.

*Written submissions should be sent to:* UPU Action Officer, IO/T, Room 5336, Department of State, Washington, DC 20520–0001, Fax: (202) 647–8902.

**SUPPLEMENTARY INFORMATION:**

Individuals or organization representatives with a substantive interest in international postal policies in the UPU may request to attend the meeting and join in the discussions. Entry into the State Department is controlled. Persons wishing to attend must send a fax to Cynthia Proctor at (202) 314–7160 no later than noon January 22, 1999, including the name of the meeting, individual's name, affiliation, social security number and date of birth. One of the following valid photo identifications will be required for admittance: U.S. driver's license, U.S. passport, or U.S. government identification (company identifications are not accepted by Diplomatic Security). Enter from the “C” Street lobby of the Department of State.

**Stanley F. Mires,**

*Chief Counsel, Legislative.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34–40889; File No. SR–MBSCC–98–04]

**Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Regarding Year 2000 Testing**

January 6, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),<sup>1</sup> notice is hereby given that on December 24, 1998, MBS Clearing Corporation (“MBSCC”) filed with the Securities and Exchange Commission

(“Commission”) and on January 5, 1999, amended the proposed rule change as described in Items I and II below, which items have been prepared primarily by MBSCC. 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, MBSCC will require certain MBSCC participants to conduct Year 2000 testing with MBSCC.

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

In its filing with the Commission, MBSCC 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. MBSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

*(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 add an addendum to MBSCC's rules regarding: participants that are required to conduct Year 2000 testing with MBSCC, participants that are exempt from Year 2000 testing with MBSCC, the scope of Year 2000 testing with MBSCC, reporting by participants, and remedial action for non-compliance.

**Participants Required To Conduct Year 2000 Testing**

All participants in MBSCC's Comparison and Clearing System (“clearing participants”) and Electronic Pool Notification (“EPN”) System (“EPN participants”) with automated interfaces (*i.e.*, computer-to-computer interfaces and PC interfaces that use file uploads and downloads) to MBSCC are required to conduct Year 2000 testing with MBSCC.

**Participants Exempt From Year 2000 Testing With MBSCC**

Clearing participants and EPN participants that are terminal service

(*i.e.*, PC interfaces that do not use file uploads and downloads) only users are exempt and are not required to conduct Year 2000 testing with MBSCC.

**Scope of Year 2000 Testing With MBSCC**

Year 2000 testing is being conducted directly between MBSCC and clearing participants and EPN participants that are required to test with MBSCC. MBSCC, in consultation with the Mortgage-Backed Securities Focus Group of the Securities Industry Association (“SIA”) Year 2000 Committee, determined not to participate in the industry-wide SIA Year 2000 tests due to the uniqueness of mortgage-backed securities. Instead, MBSCC's Year 2000 tests require clearing participants and EPN participants that are required to test with MBSCC to execute a test script designed to exercise functionality with MBSCC in a Year 2000 environment.

MBSCC conducted Year 2000 tests with certain clearing participants and EPN participants on June 6, 13, 25, and 27, 1998 (“June 1998 test”) and October 3, 10, 17, 22, and 24, 1998, (“October 1998 test”). Clearing participants and EPN participants that successfully tested with MBSCC in the June 1998 test or in the October 1998 test or in both are not required to participate in additional Year 2000 testing with MBSCC.

MBSCC has scheduled an additional Year 2000 test cycle for clearing participants and EPN participants with automated interfaces to MBSCC that have not successfully tested with MBSCC. The additional Year 2000 test cycle is scheduled for January 30, February 6, February 20, February 25, and February 27, 1999.

MBSCC intends to conduct additional Year 2000 tests during 1999 and will advise clearing participants and EPN participants of the specific test dates by Administrative Bulletin.

MBSCC will determine whether a clearing participant or EPN participant has successfully tested with MBSCC based on the participant's satisfactory execution of the test script described above and based on timely and satisfactory completion of the testing survey described below. MBSCC will advise each clearing participant and EPN participant whether it has successfully tested with MBSCC. MBSCC may also periodically publish by Administrative Bulletin a list of the clearing participants and EPN participants that have successfully tested with MBSCC.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified the text of the summaries prepared by MBSCC.