company and a wholly owned subsidiary of National Grid, and NEES, NEES will become an indirect, wholly owned subsidiary of National Grid. The Merger will be accomplished in several steps. Specifically, NEES will merge with and into NGG Holdings, LLC, with NEES as the surviving entity, and then merge again into another to-be-formed limited liability company (which survives), which in turn will merged into NGG Holdings, Inc. with NGG Holdings, Inc. as the surviving entity.

As consideration for each common share of NEES outstanding at the time of the Merger, NEES shareholders will receive $53.75 per share in cash. This cash payment will increase by $0.003288 per share, up to $0.60 per share, for each day that the Merger closing is delayed longer than six months after NEES shareholders approve the Merger.[16] NEES shareholders will not obtain any stock consideration from National Grid in the Merger. Applicants state that the Merger is expected to have no effect on the outstanding public debt and preferred securities of the NEES Subsidiary Companies.[17]

National Grid intends to establish the Intermediate Companies [18] as intermediate holding companies in the corporate structure between National Grid and NEES. The purpose of this structure is to permit both reinvestment and repatriation of the profits of NEES in a tax efficient manner. These entities exist primarily for the purpose of creating an economically efficient and viable structure for the transaction and the ongoing operations of NEES. Applicants, however, note that certain adjustments in this structure may be necessary to reflect tax and accounting changes as well as management decisions prior to consummation of the Merger.

Section 11(b)(2) requires, in effect, that a registered holding company may not have as an indirect subsidiary a company which is itself a holding company as defined in the Act. Section 2(a)(7), which defines what constitutes a holding company within the meaning of the Act, provides that the Commission may, under certain circumstances, determine that a company is not a holding company as defined in that section. Applicants propose that the Intermediate Companies not be deemed holding companies under section 2(a)(7), solely for purposes of section 11(b)(2).

Following consummation of the Merger, National Grid will file under section 5 as a registered holding company, with NEES as an indirect wholly owned subsidiary registered holding company. National Grid will seek to qualify National Grid Holdings as a foreign utility company within the meaning of section 33 of the Act. Applicants maintain that, as a FUCO, National Grid Holdings will be exempt from all provisions of the Act, except as provided in section 33. In this regard, Applicants seek confirmation that National Grid's investment in National Grid Holdings at the time of consummation of the Merger will not be counted toward the limitation on ''aggregate investment'' for purposes of rule 53 under the Act. In addition, national Grid will seek to qualify NGG Telecoms Limited and certain subsidiaries of National Grid International Limited as exempt telecommunications companies within the meaning of section 34 of the Act.

Following consummation of the Merger, NEES Common Stock will be deregistered under the Securities Exchange Act of 1934, as amended, and delisted from the New York Stock Exchange and the Boston Stock Exchange. The NEES Agreement and Declaration of Trust will be replaced by corporate bylaws for the surviving entity in the Merger.[19] The Merger Agreement provides that the headquarters of NEES will remain in Massachusetts, with offices for utility operations in Massachusetts, Rhode Island and New Hampshire. The post-Merger NEES board of directors will be comprised of up to nine members designated from among the officers of National Grid and NEES, as mutually agreed by National Grid and NEES. The Merger Agreement provides that the chief executive officer of NEES and an additional director of NEES, each a United States citizen, will serve on National Grid's board of directors. In addition, the then-current outside directors of NEES will be appointed to an advisory board to be maintained for at least two years after the effectiveness of the Merger. The function of the advisory board will be to advise the surviving entity's board of directors with respect to general business opportunities and activities in the surviving entity's market area as well as customer relations issues.

Financing the Merger

National Grid intends to finance the acquisition of NEES through a combination of borrowings under existing bank facilities and other internal cash sources. It is expected that the acquisition price will be approximately $3.2 billion. On March 5, 1999, National Grid entered into a fully committed bank facility providing for up to $2.750 billion in borrowings. The facility has a maturity of three to five years. Applicants seek confirmation that National Grid's borrowing under this credit facility for purposes of financing the Merger would be permissible under the Act.[20]

Margaret H. McFarland,

Deputy Secretary.

For the Commission, by the Division of Investment Management, under delegated authority.

[FR Doc. 99–27037 Filed 10–15–99; 8:45 am]

BILLING CODE 8010–01–M

[16] NEES Shareholders approved the Merger on May 3, 1999.

[17] NEES currently has no public security holders other than common stockholders.

[18] Applicants note that there will be no third party interests, including lenders, minority equity interest holders or customers, in the Intermediate Companies.

[19] Although it is anticipated that NGG Holdings will be the surviving entity in the Merger, Applicants currently intend to convert the surviving entity into a more conventional business corporation, which Applicants anticipate will have the name NEES Holdings, Inc.

[20] National Grid, NGG Holdings, the Intermediate Companies, NEES and NEES's subsidiaries have filed an application before the Commission (File No. 70–9519), requesting authority to engage in a variety of post-merger financing and related transactions.

SMALL BUSINESS ADMINISTRATION

Small Business Investment Company; Computation of Alternative Maximum Annual Cost of Money to Small Businesses

13 CFR 107.855 limits the maximum annual Cost of Money (as defined in 13 CFR 107.50) that may be imposed upon a Small Business in connection with Financing by means of Loans or through the purchase of Debt Securities. The cited regulation incorporates the term ''Debenture Rate'', which is defined in 13 CFR 107.50 as the interest rate, as published from time to time in the **Federal Register** by SBA, for ten year debentures issued by Licensees and funded through public sales of certificates bearing SBA's guarantee.

Accordingly, Licensees are hereby notified that effective the date of publication of this Notice, and until further notice, the Debenture Rate, plus the 1 percent annual fee which is added to this Rate to determine a base rate for computation of maximum Cost of Money, is 8.22 percent per annum.

13 CFR 107.855 does not supersede or preempt any applicable law imposing an interest ceiling lower than the ceiling imposed by its own terms. Attention is directed to Section 308(i) of the Small

Business Investment Act of 1958, as amended, regarding that law's Federal override of State usury ceilings, and to its forfeiture and penalty provisions.

(Catalog of Federal Domestic Assistance Program No. 59.011, small business investment companies)

Dated: October 7, 1999.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 99–27028 Filed 10–15–99; 8:45 am]

BILLING CODE 8025–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

Approval of Noise Compatibility Program, Salt Lake City International Airport, Salt Lake City, UT

AGENCY: Federal Aviation Administration, DOT.

ACTION: Notice.

SUMMARY: The Federal Aviation Administration (FAA) announces its findings on the noise compatibility program submitted by the Executive Director of Salt Lake City International Airport under the provisions of 49 U.S.C. Sec. 47504(b) and 14 CFR Part 150. These findings are made in recognition of the description of federal and non-federal responsibilities in Senate Report No. 96–52 (1980).

On March 10, 1999, the FAA determined that the noise exposure maps submitted by the Executive Director under Part 150 were in compliance with applicable requirements. On September 3, 1999, the Acting Associate Administrator for Airports approved the Salt Lake City International Airport noise compatibility program. All but four of the program elements were approved.

EFFECTIVE DATE: The effective date of the FAA's approval of the Salt Lake City International Airport noise compatibility program is September 3, 1999.

FOR FURTHER INFORMATION CONTACT: Dennis G. Ossenkop; Federal Aviation Administration; Northwest Mountain Region; Airports Division, ANM–611; 1601 Lind Avenue, SW, Renton, Washington, 98055–4056. Documents reflecting this FAA action may be reviewed at this same location.

SUPPLEMENTARY INFORMATION: This notice announces that the FAA has given its overall approval to the noise compatibility program for Salt Lake City International Airport, effective September 3, 1999. Under 49 U.S.C. Sec. 47504(a), an airport operator who has previously submitted a noise exposure map may submit to the FAA a noise compatibility program which sets forth the measures taken or proposed by the airport operator for the reduction of existing noncompatible land uses and prevention of additional noncompatible land uses within the area covered by the noise exposure maps. Title 49 U.S.C. Sec. 47503(a)(1) requires such a program to be developed in consultation with interested and affected parties including the state, local communities, government agencies, airport users, and FAA personnel.

Each airport noise compatibility program developed in accordance with Federal Aviation Regulations (FAR) Part 150 is a local program, not a federal program. The FAA does not substitute its judgment for that of the airport proprietor with respect to which measures should be recommended for action. The FAA's approval or disapproval of FAR Part 150 program recommendations is measured according to the standards expressed in Part 150 and the Act and is limited to the following determinations:

a. The noise compatibility program was developed in accordance with the provisions and procedures of FAR Part 150.

b. Program measures are reasonably consistent with achieving the goals of reducing existing noncompatible land uses around the airport and preventing the introduction of additional noncompatible land uses.

c. Program measures would not create an undue burden on interstate or foreign commerce, unjustly discriminate against types or classes of aeronautical uses, violate the terms of airport grant agreements, or intrude into areas preempted by the Federal Government.

d. Program measures relating to the use of flight procedures can be implemented within the period covered by the program without derogating safety, adversely affecting the efficient use and management of the navigable airspace and air traffic control systems, or adversely affecting other powers and responsibilities of the Administrator prescribed by law.

Specific limitations with respect to FAA's approval of an airport noise compatibility program are delineated in FAR Part 150, Section 150.5. Approval is nor a determination concerning the acceptability of land uses under Federal, state, or local law. Approval does not by itself constitute a FAA implementing action. A request for Federal action or approval to implement specific noise compatibility measures may be required, and an FAA decision on the request may require an environmental assessment of the proposed action. Approval does not constitute a commitment by the FAA to financially assist in the implementation of the program nor a determination that all measures covered by the program are eligible for grant-in-aid funding from the FAA. Where Federal funding is sought, requests for project grants must be submitted to the FAA Airports District Office in Denver, Colorado.

The Executive Director of Salt Lake City International Airport submitted to the FAA the noise exposure maps, descriptions, and other documentation produced during the noise compatibility planning study conducted at Salt Lake City International Airport. The Salt Lake City International Airport noise exposure maps were determined by FAA to be in compliance with applicable requirements on March 10, 1999. Notice of this determination was published in the **Federal Register** on March 25, 1999.

The Salt Lake City International Airport noise compatibility program contains a proposed noise compatibility program comprised of actions designed for phased implementation by airport management and adjacent jurisdictions from the date of study completion to the year 2003. It is requested that the FAA evaluate and approve this material as a noise compatibility program as described in 49 U.S.C. Sec. 47504(a). The FAA began its review of the program on March 10, 1999, and was required by a provision of 49 U.S.C. Sec. 47504(b) to approve or disapprove the program within 180 days (other than the use of new flight procedures for noise control). Failure to approve or disapprove such program within the 180-day period shall be deemed to be an approval of such program.

The submitted program contained 17 proposed actions for noise mitigation on and off the airport. Noise Abatement measures 2 and 3 were approved in part, and disapproved in part for purposes of Part 150. Noise Abatement measures 6 and 7 were disapproved for purposes of Part 150 pending submission of sufficient information to make an informed analysis regarding the noise benefits contributed by these measures to the overall NCP.

The FAA completed its review and determined that the procedural and substantive requirements of 49 U.S.C. Sec. 47504(b) and FAR 150 have been satisfied. The overall program, therefore, was approved by the Acting Associate Administrator for Airports effective September 3, 1999.

These determinations are set forth in detail in a Record of Approval endorsed by the Acting Associate Administrator