

must either acknowledge or reject the transfer within two days. An acknowledgment must contain the customer account information as the information appears on the records of the Delivering Fund Member. The acknowledgment must also contain the customer's current dollar and share balance at the time of the acknowledgment. A rejection must indicate the reason(s) (e.g., stop code on account, invalid plan type, or invalid percentage rate) why the Delivering Fund Member is rejecting the transfer request. A transfer request that is not responded to within two days by a Delivering Fund Member will be deleted from Fund/Serv.

In order for a transfer to be scheduled for settlement after a transfer request has been acknowledged, the Delivering Fund Member must submit a confirmation to NSCC no earlier than two days and no later than sixty days after the submission of the acknowledgment. Such confirmation will provide information on the price at which the position is liquidated. An acknowledged transfer request that is not confirmed by a Delivering Fund Member within sixty days from the submission of the acknowledgment will be deleted from Fund/Serv. If a Delivering Fund Member wants to change any information contained in the confirmation it will be permitted to submit a reconfirmation prior to 11 a.m. on the day of settlement. Similarly, a Receiving Fund Member may cancel a transfer request by submitting an exit instruction to NSCC prior to 11 a.m. on the day of settlement.

A transfer request that has been confirmed or reconfirmed and not exited will settle on the next settlement cycle after such confirmation or reconfirmation.<sup>8</sup> On the settlement date, NSCC will debit the Delivering Fund Member's account and credit the Receiving Fund Member's account for the dollar value of the liquidated mutual fund shares.

Members may also need to make adjustments after the transfer to account for items such as dividend and commission payments. A member may make such adjustments with another member in the same fashion as with other Fund/Serv orders. NSCC will charge members the same fee for these transfer requests as it charges for other Fund/Serv orders.<sup>9</sup>

<sup>8</sup> The settlement cycle occurs at 11:00 a.m. each business day.

<sup>9</sup> The proposed rule change modifies Addendum A of NSCC's rules to reflect a fee of \$.35 per side per transfer request.

## II. Comment Letter

The Commission received one comment letter in response to the proposed rule change.<sup>10</sup> The commenter believes that the proposal provides for a timelier and more efficient processing of IRA account transfers through the exchange of electronic records. The commenter notes that such electronic transfers should result in a streamlined processing cycle during which customer proceeds should be uninvested for a maximum of one night. The commenter compares this electronic efficiency with the current, cumbersome manual transfer procedure which is subject to varied, idiosyncratic processing requirements and practices as well as a reliance on the U.S. Postal Service. The commenter believes that the movement of this transfer process to a paperless, automated system can only improve the timeliness and accuracy of IRA account transfers.

## III. Discussion

The Commission believes that NSCC's proposal is consistent with Section 17A of the Act<sup>11</sup> and specifically with Sections 17A(b)(3) (A) and (F) thereunder<sup>12</sup> Sections 17A(b)(3) (A) and (F) require that a clearing agency be organized and its rules be designed to facilitate and to promote the prompt and accurate clearance and settlement of securities transactions and to assure the safeguarding of securities and funds which are in the custody or control of NSCC or for which it is responsible.

Under NSCC's proposed rule change, an electronic transfer of the value of mutual fund shares held in IRAs can be used in place of a manual transfer.<sup>13</sup> The proposal should help alleviate the inefficiencies associated with the physical exchange of hardcopy documentation and should make account transfers more efficient and expeditious. By processing the transfers of IRAs in a more efficient manner, the proposal should promote the prompt and accurate clearance and settlement of securities transactions. Furthermore, the Commission believes that by requiring the Delivering Fund Member to

<sup>10</sup> *Supra* note 5.

<sup>11</sup> 15 U.S.C. § 78q-1 (1988).

<sup>12</sup> 15 U.S.C. §§ 78q-1(b)(3) (A) and (F) (1988).

<sup>13</sup> Currently, the transfer of an IRA account from one mutual fund company to another requires the exchange of hardcopy documentation. Specifically, the receiving fund mails the letter of acceptance to the delivering fund. If the delivering fund finds the letter of acceptance in good order, it sends the proceeds, typically via U.S. mail to the receiving fund. However, if the letter of acceptance is not in good order, the delivering fund sends a letter to the receiving fund with a description of the elements required to bring the letter of acceptance in accordance with good order standards.

acknowledge and to confirm the transfer request and by providing the Delivering Firm Member with the ability to edit information contained in the confirmation and the Receiving Fund Member with the ability to cancel a request, the proposal reduces the possibility of errors. This system provides more safeguards than the current system where the delivering firm delivers funds after the receipt of the transfer request. Thus, it is consistent with the goal of safeguarding securities and funds contained in Section 17A.

NSCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication because this will allow NSCC to begin implementing the Fund/Serv IRA transfer service in order that NSCC and its members can take advantage in a more timely fashion of the benefits of the service.

## IV. Conclusion

The Commission finds that NSCC's proposal is consistent with the requirements of the Act and particularly with Section 17A and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-96-16) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-29860 Filed 11-21-96; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

[License No. 02/72-0570]

### Notice of Issuance of a Small Business Investment Company License; Penny Lane Partners, L.P.

On June 14, 1994, an application was filed by Penny Lane Partners, L.P., One Palmer Square—Suite 510, Princeton, New Jersey, with the Small Business Administration (SBA) pursuant to § 107.102 of the Regulations governing small business investment companies (13 CFR 107.102 (1996)) for a license to

<sup>14</sup> 17 CFR 200.30-3(a)(12) (1996).

operate as a small business investment company.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 02/72-0570 on November 1, 1996, to Penny Lane Partners, L.P. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: November 18, 1996.

Don A. Christensen,

*Associate Administrator for Investment.*

[FR Doc. 96-29880 Filed 11-21-96; 8:45 am]

BILLING CODE 8025-01-P

## DEPARTMENT OF STATE

[Public Notice 2471]

### Bureau of Oceans and International Environmental and Scientific Affairs; Evaluation and Assessment of the U.S. Initiative on Joint Implementation

**ACTION:** Request for public comments.

**SUMMARY:** The U.S. Climate Change Action Plan, announced by President Clinton on October 19, 1993, set forth a series of measures designed to return U.S. greenhouse gas emissions to 1990 levels by the year 2000 largely through voluntary domestic actions. Recognizing the enormous potential for cost-effective greenhouse gas emission reductions in other countries, the Administration also called for a pilot program—the U.S. Initiative on Joint Implementation (USII)—to help establish an empirical basis for considering approaches to joint implementation internationally and thus help realize the potential of joint implementation both to combat the threat of global climate change and to promote sustainable development.

Department of State Public Notice 1918 (58 FR 66057-66059, December 17, 1993) set forth the draft Groundrules for the U.S. Initiative on Joint Implementation as directed by the President in the U.S. Climate Change Action Plan, to provide for the operation of a pilot program. In this notice, interested parties were invited to provide comment on the draft Groundrules. Following the public comment period, Department of State Public Notice 2015 (59 FR 28442-28446, June 1, 1994) published the revised final Groundrules for the United States Initiative on Joint Implementation, together with a summary of the response to comments on the draft Groundrules.

USII is the first and currently most developed joint implementation pilot program worldwide. Through fiscal year 1996, USII had received 51 proposals from 23 countries for projects which were designed to reduce, avoid, or sequester greenhouse gases utilizing a diverse set of technologies, including renewable, fuel switching, energy, efficiency, methane recovery, and land-use related technologies. Of these, the eight-member federal agency Evaluation Panel has approved 15 projects representing a diverse set of innovative technologies and practices in six countries, including developing renewable energy sources such as solar, biomass, and hydroelectric, and land-use change projects leading to better forest management, reforestation, and afforestation. Project developers estimate that these projects will cumulatively reduce nearly 30 million metric tons of carbon equivalent. Presently, USII activities focus on the expansion of the geographic and technological diversity of its project portfolio to reinforce further to the international community that joint implementation projects can produce real, measurable greenhouse gas reductions that provide global environmental benefits while providing economic, social, and development benefits to the project participants in both the host country and the United States.

As required by Section II of the Groundrules, an assessment of the program has been initiated, including consideration of the criteria with which a project must comply to be accepted into the U.S. Initiative on Joint Implementation. In support of this assessment, interested parties are invited to provide their comments on any aspect of the pilot program, e.g., suggestions to improve certain elements of the program, identification of those elements of the program which parties have been found to be of value, and, areas which should possibly be strengthened. Comments will be made available to the public.

**PUBLIC COMMENT:** Written comments on any aspect of the pilot program, including the criteria, are invited. Comments should be submitted to the Department of State no later than January 24, 1997. Comments or questions should be directed to: Mr. Daniel A. Reifsnnyder, Director, Office of Global Change, OES/EGC, Room 4330, Department of State, 2201 C Street, N.W., Washington, D.C. 20520-7818, (202) 649-4069, facsimile (202) 647-0191. Comments may also be submitted

via electronic mail using the following address: csmt@igc.apc.org.

**SUPPLEMENTARY INFORMATION:** For the convenience of the reader, the final Groundrules as published in the Federal Register on June 1, 1994, are reprinted below.

#### Groundrules

The following describes the U.S. Initiative on Joint Implementation (USII), which shall be established as a pilot program.

#### Section I—Purpose

The purpose of the pilot program shall be to:

- (1) Encourage the rapid development and implementation of cooperative, mutually voluntary, cost-effective projects between U.S. and foreign partners aimed at reducing or sequestering emissions of greenhouse gases, particularly projects promoting technology cooperation with and sustainable development in developing countries and countries with economies in transition to market economies;
- (2) Promote a broad range of cooperative, mutually voluntary projects to test and evaluate methodologies for measuring, tracking and verifying costs and benefits;
- (3) Establish an empirical basis to contribute to the formulation of international criteria for joint implementation;
- (4) Encourage private sector investment and innovation in the development and dissemination of technologies for reducing or sequestering emissions of greenhouse gases; and
- (5) Encourage participating countries to adopt more complete climate action programs, including national inventories, baselines, policies and measures, and appropriate specific commitments.

#### Section II—Evaluation and Reassessment of Pilot Program

The pilot program shall be evaluated and reassessed within two years of its inception or within six months of adoption of international criteria for joint implementation by the Conference of the Parties to the United Nations Framework Convention on Climate Change, whichever is earlier.

#### Section III—Eligible Participants

##### A. Domestic.

- (1) Any U.S. citizen or resident alien;
- (2) Any company, organization or entity incorporated under or recognized by the laws of the United States, or group thereof; or
- (3) Any U.S. federal, state or local government entity.