

**PENSION BENEFIT GUARANTY CORPORATION****Required Interest Rate Assumption for Determining Variable-Rate Premium; Interest Assumptions for Multiemployer Plan Valuations Following Mass Withdrawal**

**AGENCY:** Pension Benefit Guaranty Corporation.

**ACTION:** Notice of interest rates and assumptions.

**SUMMARY:** This notice informs the public of the interest rates and assumptions to be used under certain Pension Benefit Guaranty Corporation regulations. These rates and assumptions are published elsewhere (or can be derived from rates published elsewhere), but are collected and published in this notice for the convenience of the public. Interest rates are also published on the PBGC's Web site (<http://www.pbgc.gov>).

The PBGC notes that the provisions of the Job Creation and Worker Assistance Act of 2002 that temporarily increased the required interest rate to be used to determine the PBGC's variable-rate premium to 100% (from 85%) of the annual yield on 30-year Treasury securities expired at the end of 2003. Thus, the required interest rate announced in this notice for plan years beginning in March 2004 has been determined under prior law. Legislation has been proposed that would further change the rules for determining the required interest rate. If such legislation is adopted, and the change affects the required interest rate for plan years beginning in March 2004, the PBGC will promptly publish a **Federal Register** notice with the new required interest rate and post the change on the PBGC's Web site.

**DATES:** The required interest rate for determining the variable-rate premium under part 4006 applies to premium payment years beginning in March 2004. The interest assumptions for performing multiemployer plan valuations following mass withdrawal under part 4281 apply to valuation dates occurring in April 2004.

**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. TTY/TDD users may 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 (the "required interest rate") in determining a single-employer plan's variable-rate premium. The required interest 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"). (Although the Treasury Department has ceased issuing 30-year securities, the Internal Revenue Service announces a surrogate yield figure each month—based on the 30-year Treasury bond maturing in February 2031—which the PBGC uses to determine the required interest rate.) The required interest rate to be used in determining variable-rate premiums for premium payment years beginning in March 2004 is 4.19 percent (*i.e.*, 85 percent of the 4.93 percent yield figure for February 2004).

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The following table lists the required interest rates to be used in determining variable-rate premiums for premium payment years beginning between April 2003 and March 2004.

For premium payment years beginning in:	The required interest rate is:
April 2003 .....	4.80
May 2003 .....	4.90
June 2003 .....	4.53
July 2003 .....	4.37
August 2003 .....	4.93
September 2003 .....	5.31
October 2003 .....	5.14
November 2003 .....	5.16
December 2003 .....	5.12
January 2004 .....	4.31

For premium payment years beginning in:	The required interest rate is:
February 2004 .....	4.23
March 2004 .....	4.19

**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 April 2004 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 9th day of March 2004.

**Joseph H. Grant,**

*Deputy Executive Director and Chief Operating Officer, Pension Benefit Guaranty Corporation.*

[FR Doc. 04-5763 Filed 3-12-04; 8:45 am]

**BILLING CODE 7708-01-P**

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-49379; File No. 600-30]

**Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing and Order Approving a Request for an Extension of Temporary Registration as a Clearing Agency**

March 9, 2004.

Pursuant to Section 19(a) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 26, 2004, the Emerging Markets Clearing Corporation ("EMCC") filed with the Securities and Exchange Commission ("Commission") a request that the Commission extend EMCC's temporary registration as a clearing agency.<sup>2</sup> The Commission is publishing this notice and order to solicit comments from interested persons and to extend EMCC's temporary registration as a clearing agency through March 31, 2005.

On February 13, 1998, pursuant to Sections 17A(b) and 19(a)(1) of the Act<sup>3</sup> and Rule 17Ab2-1 promulgated

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

<sup>2</sup> Letter from Karen L. Saperstein, General Counsel, EMCC (Jan. 23, 2004).

<sup>3</sup> 15 U.S.C. 78q-1(b) and 78s(a)(1).

thereunder,<sup>4</sup> the Commission approved on a temporary basis until August 20, 1999, EMCC's application for registration as a clearing agency.<sup>5</sup> By subsequent orders, the Commission has extended EMCC's registration as a clearing agency through March 31, 2004.<sup>6</sup>

EMCC was created to facilitate the clearance and settlement of transactions in U.S. dollar denominated Brady Bonds.<sup>7</sup> EMCC began operating on April 6, 1998, with ten dealer members. Since it began operations, EMCC has added certain emerging market sovereign debt and corporate debt to the list of eligible securities that may be cleared and settled at EMCC.<sup>8</sup>

As part of EMCC's initial temporary registration, the Commission granted EMCC a temporary exemption from Section 17A(b)(3)(B) of the Act<sup>9</sup> because EMCC did not provide for the admission of some of the categories of members required by that section.<sup>10</sup> To date, EMCC's rules still only provide membership criteria for U.S. broker-dealers, United Kingdom broker-dealers, U.S. banks, and non-U.S. banks. As the Commission noted in the Registration Order, the Commission believes that it is appropriate for EMCC to limit the categories of members during its initial years of operations because to date no entity in a category not covered by EMCC's rules has expressed an interest in becoming a member.<sup>11</sup> Accordingly, the Commission is extending EMCC's temporary exemption from Section 17A(b)(3)(B).

The Commission also granted EMCC a temporary exemption from Sections

17A(b)(3)(A)<sup>12</sup> and 17A(b)(3)(F)<sup>13</sup> of the Act to permit EMCC to use, subject to certain limitations, ten percent of its clearing fund to collateralize a line of credit at Euroclear used to finance on an intraday basis the receipt by EMCC of eligible instruments from one member that EMCC will redeliver to another member.<sup>14</sup> The Registration Order limited EMCC's use of clearing fund deposits for this intraday financing to the earlier of one year after EMCC commenced operations or the date on which EMCC begins its netting service. On April 2 and May 17, 1999, the Commission approved rule changes that permitted EMCC to implement a netting service and that extended EMCC's ability to use clearing fund deposits for intraday financing at Euroclear until all EMCC members are netting members.<sup>15</sup> Because not all of EMCC's members have become netting members, the Commission is extending EMCC's temporary exemption from Section 17A(b)(3)(A) and (F).

In addition, because EMCC is currently in the process of revising its foreign member program, including its membership application process and ongoing financial requirements, the Commission is extending EMCC's temporary registration so that EMCC can complete its revisions and Commission staff has time to assess the revised foreign member program.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting permanent registration or in instituting proceedings to determine whether permanent registration should be denied in accordance with Section 19(a)(1) of the Act.<sup>16</sup> Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0609. Comments may also be submitted electronically at the following e-mail address: [rule-comments@sec.gov](mailto:rule-comments@sec.gov). All comment letters should refer to File No. 600-30. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. Copies of the amended

application for registration, all written statements with respect to the application that are filed with the Commission, all written communications relating to the application between the Commission and any person, other than those that may be withheld from the public in accordance with provisions of 5 U.S.C. 552, and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. All submissions should refer to File No. 600-30 and should be submitted by April 5, 2004.

*It is therefore ordered*, pursuant to Section 19(a) of the Act, that EMCC's registration as a clearing agency (File No. 600-30) be and hereby is temporarily approved through March 31, 2005.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>17</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 04-5788 Filed 3-12-04; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49376; File No. SR-NASD-2004-038]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. To Extend the Pilot Program for Nasdaq PostData and Fees Presently Available Under NASD Rule 7010(s)

March 9, 2004.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on March 1, 2004, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in items I, II and III below, which items have been prepared by Nasdaq. Nasdaq filed this proposal pursuant to section 19(b)(3)(A) of the Act<sup>3</sup> and Rule 19b-4(f)(6) thereunder,<sup>4</sup>

<sup>4</sup> 17 CFR 240.17Ab2-1.

<sup>5</sup> Securities Exchange Act Release No. 39661 (Feb. 13, 1998), 63 FR 8711 (Feb. 20, 1998) ("Registration Order").

<sup>6</sup> Securities Exchange Act Release Nos. 41733 (Aug. 12, 1999), 64 FR 44982 (Aug. 18, 1999); 43182 (Aug. 18, 2000), 65 FR 51880 (Aug. 25, 2000); and 44707 (Aug. 15, 2001), 66 FR 43941 (Aug. 21, 2001); 45648 (Mar. 26, 2002), 67 FR 15438 (Apr. 1, 2002); 47602 (March 31, 2003), 68 FR 16848 (April 7, 2003).

<sup>7</sup> Brady bonds are restructured bank loans that were first issued pursuant to a plan developed by then U.S. Treasury Secretary Nicholas Brady to assist debt-ridden countries restructure their sovereign debt into commercially marketable securities. The plan provided for the exchange of bank loans for collateralized debt securities as part of an internationally supported sovereign debt restructuring. Typically, U.S. Treasury zero-coupon bonds and other high-grade instruments collateralize the principal and certain interest of these bonds.

<sup>8</sup> Securities Exchange Act Release Nos. 40363 (Aug. 25, 1998), 63 FR 46263 (Aug. 31, 1998); 41618 (July 14, 1999), 64 FR 39181 (July 21, 1999); and 46714 (Oct. 23, 2002), 67 FR 66031 (Oct. 29, 2002).

<sup>9</sup> 15 U.S.C. 78q-1(b)(3)(B).

<sup>10</sup> Registration Order at 8716.

<sup>11</sup> EMCC has represented to the staff that it will modify its rules to provide admission criteria for other entities that wish to become EMCC members.

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

<sup>13</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>14</sup> Registration Order at 8720.

<sup>15</sup> Securities Exchange Act Release Nos. 41247 (Apr. 2, 1999), 64 FR 17705 (Apr. 12, 1999) and 41415 (May 17, 1999), 64 FR 27841 (May 21, 1999).

<sup>16</sup> 15 U.S.C. 78s(a)(1).

<sup>17</sup> 17 CFR 200.30-3(a)(50)(i).

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

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(6). Nasdaq provided the Commission with written notice of its intention to file the proposed rule change on February 23, 2004.