

(A) cash which is attributable to interest or dividends on, and/or tender offers for, portfolio securities; or

(B) Stock attributable to dividends on portfolio securities;

provided that such specified amount has been disclosed in writing as a "triggering event" to an independent fiduciary of each plan having assets held in the Fund prior to, or within ten (10) days after, its inclusion as a "triggering event" for such Fund; or

(4) A change in the composition of the portfolio of a Model-Driven Fund mandated solely by operation of the formulae contained in the computer model underlying the Fund where the basic factors for making such changes (and any fixed frequency for operating the computer model) have been disclosed in writing to an independent fiduciary of each plan having assets held in the Fund prior to, or within ten (10) days after, its inclusion as a "triggering event" for such Fund.

(e) *Large Account*—Any investment fund, account or portfolio that is not an Index Fund or a Model-Driven Fund sponsored, maintained, trustee or managed by the Manager, which holds assets of either:

(1) An employee benefit plan within the meaning of section 3(3) of the Act that has \$50 million or more in total assets;

(2) An institutional investor that has total assets in excess of \$50 million, such as an insurance company separate account or general account, a governmental plan, a university endowment fund, a charitable foundation fund, a trust or other fund which is exempt from taxation under section 501(a) of the Code; or

(3) An investment company registered under the Investment Company Act of 1940 (e.g., a mutual fund) other than an investment company advised or sponsored by the Manager;

provided that the Manager has been authorized to restructure all or a portion of the portfolio for such Large Account or to act as a "trading adviser" (as defined in Section IV(g) below) in connection with a specific liquidation or restructuring program for the Large Account.

(f) *Portfolio restructuring program*—Buying and selling the securities on behalf of a Large Account in order to produce a portfolio of securities which will be an Index Fund or a Model-Driven Fund managed by the Manager, without regard to the requirements of Section IV(a)(3) or (b)(2), or to carry out a liquidation of a specified portfolio of securities for the Large Account.

(g) *Trading adviser*—A person whose role is limited with respect to a Large

Account to the disposition of a securities portfolio in connection with a Large Account-initiated liquidation or restructuring within a stated period of time in order to minimize transaction costs. The person does not have discretionary authority or control with respect to any underlying asset allocation, restructuring or liquidation decisions for the account in connection with such transactions and does not render investment advice [within the meaning of 29 CFR § 2510.3-21(c)] with respect to such transactions.

(h) *Closing price*—The price for a security on the date of the transaction, as determined by objective procedures disclosed to Fund investors in advance and consistently applied with respect to securities traded in the same market, which procedures shall indicate the independent pricing source (and alternates, if the designated pricing source is unavailable) used to establish the closing price and the time frame after the close of the market in which the closing price will be determined.

(i) *Manager*—A person who is:

(1) A bank or trust company, or any Affiliate thereof, as defined in Section IV(j) below, which is supervised by a state or federal agency; or

(2) An investment adviser or any Affiliate thereof, as defined in Section IV(j) below, which is registered under the Investment Advisers Act of 1940.

(j) *Affiliate*—An "affiliate" of a Manager includes:

(1) Any person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the person;

(2) Any officer, director, employee or relative of such person, or partner of any such person; and

(3) Any corporation or partnership of which such person is an officer, director, partner or employee.

(k) *Control*—The power to exercise a controlling influence over the management or policies of a person other than an individual.

(l) *Relative*—A "relative" is a person that is defined in section 3(15) of the Act (or a "member of the family" as that term is defined in section 4975(e)(6) of the Code), or a brother, a sister, or a spouse of a brother or a sister.

Signed at Washington, D.C., this 9th day of December, 1999.

**Alan D. Lebowitz,**

*Deputy Assistant Secretary for Program Operations, Pension and Welfare Benefits Administration, U.S. Department of Labor.*

[FR Doc. 99-32404 Filed 12-14-99; 8:45 am]

**BILLING CODE 4510-29-P**

## DEPARTMENT OF LABOR

### Pension and Welfare Benefits Administration

#### Cross-Trades of Securities by Investment Managers

**AGENCY:** Pension and Welfare Benefits Administration, Labor.

**ACTION:** Notice of hearing.

**SUMMARY:** This document provides notice of a public hearing regarding standards and safeguards upon which exemptive relief should be conditioned for cross-trades of securities by investment managers with respect to any account, portfolio or fund holding "plan assets" subject to the fiduciary responsibility provisions of Part 4 of Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The public hearing will focus primarily on the area of "active" cross-trading of securities by investment managers. The Department is also publishing today in the **Federal Register** a Notice of Proposed Class Exemption relating to cross-trades of securities by "passively" managed funds.

**DATES:** The hearing will be held on February 10, 2000, and on February 11th if necessary, beginning at 10 a.m. and ending at 4 p.m. each day.

**ADDRESSES:** The hearing will be held in Room N-5437, of the Department of Labor Building, 200 Constitution Avenue, NW, Washington, DC 20210.

**FOR FURTHER INFORMATION CONTACT:** Louis J. Campagna or E.F. Williams, Office of Exemption Determinations, Pension and Welfare Benefits Administration, U.S. Department of Labor, Room N-5649, 200 Constitution Avenue, NW, Washington, DC, 20210, (202) 219-8883 or 219-8194, respectively (these are not toll free numbers); or Michael Schloss, Plan Benefits Security Division, Office of Solicitor, (202) 219-4600, ext. 105 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:** On March 20, 1998, the Department of Labor (the Department) published a notice (the Notice) in the **Federal Register** (63 FR 13696) requesting information to assist it in determining upon what standards and safeguards exemptive relief for cross-trades by investment managers should be conditioned. In that Notice, the Department invited all interested persons to submit written comments concerning its request for information on or before May 19, 1998. The Department received a total of 29 written comments on the Notice, many

of which were from major industry groups and plan fiduciaries.

In response, in part, to the information received by the Department to the Notice, the Department has published in today's **Federal Register** a separate notice of proposed class exemption which would, if granted, provide an exemption for cross-trades of securities by Index and Model-Driven Funds. In the notice of proposed class exemption, the Department states that it is not proposing relief for cross-trades of securities by actively-managed plan accounts or funds at the present time. In actively-managed programs, trading decisions are made by individuals that have been hired to select particular securities as professional investment managers for "actively-managed" accounts. The Department notes in the proposed class exemption that information obtained from investment managers in response to the Notice regarding cross-trade practices and procedures for actively-managed accounts will be considered separately.

In view of the importance of this issue, the Department has decided to hold a public hearing regarding potential future individual or class exemptions for the cross-trades of securities by investment managers for actively-managed plan accounts or pooled funds containing "plan assets" subject to Title I of ERISA.

This hearing will be held on February 10, 2000, and February 11th if necessary, beginning at 10 a.m. and ending at 4 p.m., in Room N-5437 of the Department of Labor Building, 200 Constitution Avenue, NW, Washington, DC 20210.

Any interested person who wishes to be assured of an opportunity to present oral comments at the hearing should submit the following information by January 20, 2000: (1) A written request to be heard; and (2) An outline (preferably five copies) of the topics to be discussed, indicating the time allocated to each topic. The request to be heard and accompanying outline should be sent to the Office of Exemption Determinations, Pension and Welfare Benefits Administration, U.S. Department of Labor, Room N-5649, 200 Constitution Avenue, NW, Washington, DC 20210, and marked "Attention: Cross-Trades of Securities by Investment Managers Hearing." Individuals who did not file written comments regarding the Notice published by the Department in the **Federal Register** on March 20, 1998 may nonetheless submit a request to make oral comments at the hearing.

The Department will prepare an agenda indicating the order of

presentation of oral comments at the hearing. In the absence of special circumstances, each commentator will be allotted fifteen minutes in which to complete his or her presentation and answer questions that may be posed by a panel of Pension and Welfare Benefits Administration employees. Information about the agenda may be obtained on or after January 27, 2000, by telephoning Fil Williams of the Office of Exemption of Determinations at (202) 219-8194 (this is not a toll free number).

Individuals not listed in the agenda will be allowed to make oral comments at the hearing to the extent time permits. Those individuals who make oral comments at the hearing should be prepared to answer questions regarding their comments. The hearing will be transcribed.

Individuals with disabilities, who need special accommodations, should notify Mr. Williams on or before January 20, 2000.

#### Notice of Public Hearing

Notice is hereby given that a public hearing will be held on February 10, 2000, and February 11th if necessary, regarding potential future individual or class exemptions for cross-trades of securities by investment managers for actively-managed plan accounts or pooled funds containing "plan assets" subject to ERISA. The hearing will be held beginning at 10 a.m. in Room N-5437 of the Department of Labor Building, 200 Constitution Avenue, NW, Washington, DC, 20210.

Signed at Washington, DC, this 9th day of December, 1999.

**Alan D. Lebowitz,**

*Deputy Assistant Secretary of Program Operations, Pension and Welfare Benefits Administration, U.S. Department of Labor.*

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## NUCLEAR REGULATORY COMMISSION

[Docket Nos. 50-498 and 50-499]

### Houston Lighting and Power Company City Public Service Board of San Antonio Central Power and Light Company City of Austin, Texas STP Nuclear Operating Company (South Texas Project, Units 1 and 2); Order Extending the Effectiveness of the Approval of the Indirect Transfer of Licenses (Merger of Central and South West Corporation and American Electric Power Company)

#### I.

By Order dated November 5, 1998, the Nuclear Regulatory Commission (the Commission) approved the indirect transfer of Facility Operating Licenses Nos. NPF-76 and NPF-80 to the extent such would be effected by the proposed corporate merger of Central and South West Corporation (CSW) and American Electric Power Company, Inc. (AEP). CSW is the parent holding company of Central Power and Light Company (CPL), one of the holders of the licenses. The approval was given in response to an application filed by CPL dated June 16, 1998, as supplemented, for consent of the NRC under 10 CFR 50.80. By its terms, the Order of November 5, 1998, becomes null and void if the merger is not completed by December 31, 1999, unless upon application and for good cause shown, such date is extended by the Commission.

#### II.

By letter dated October 25, 1999, CPL and AEP, through counsel, submitted a request for an extension of the effectiveness of the Order of November 5, 1998, such that it would remain effective until June 30, 2000. According to the submittal, because of unavoidable delays in securing all regulatory approvals, the merger between AEP and CSW will not close prior to December 31, 1999. The request further asserts that, notwithstanding the best efforts of AEP and CSW to provide complete and timely information, the Federal Energy Regulatory Commission (FERC) has not completed its review of the pending merger application before it and has not granted the necessary approvals required for consummation of the merger. FERC has issued an order in which it states that a final decision should be issued no later than March 2000.

According to their submittal, CSW and AEP have been diligent in seeking to obtain all required regulatory approvals from Federal and State