

contracts. The Commission notes that this provision will effectively terminate a Securities investor's exposure to commodity market risk at the security's maturity and limit an investor's loss to the amount of his initial investment. Finally, the Exchange plans to distribute a circular to its membership calling attention to the specific risks associated with Securities.<sup>10</sup> This will assist members in determining the customers eligible to trade Securities, formulating recommendations in Securities, and in monitoring customer and firm transactions in Securities.

The Commission also believes that several factors significantly minimize the potential for manipulation of Securities. First, each of the futures contracts overlying the commodities is relatively actively traded, and has considerable open interest. Second, the majority of futures contracts overlying the component commodities trade on exchanges that impose position limits on speculative trading activity, which are designed, and serve, to minimize potential manipulation and other market impact concerns. Third, as discussed below, the NYSE has entered into certain surveillance sharing agreements with each of the futures exchanges upon which the underlying designated futures contracts trade. These agreements should help to ensure the availability of information necessary to detect and deter potential manipulations and other trading abuses, thereby making Securities less readily susceptible to manipulation. Fourth, the price of Securities (with respect to those commodities traded in the U.S.) will be calculated every 60 seconds and disseminated to vendors of electronic financial information. Fifth, adequate procedures are in place to prevent the misuse of information by members of the policy committee responsible for replacements with respect to the underlying contract.<sup>11</sup> Accordingly, for the reasons discussed above, the Commission believes that Securities are not readily susceptible to manipulation

and that in any event, the surveillance procedures in place are sufficient to detect and deter potential manipulation.

The Commission notes that Securities, unlike standardized options, do not contain a clearinghouse guarantee but are instead dependent upon the individual credit of the issuer. This heightens the possibility that a purchaser of Securities may not be able to receive any cash payment due upon maturity. To some extent this credit risk is minimized by the Exchange's listing guidelines requiring Securities issuers to comply with the listing requirements of Para. 703.19(1).<sup>12</sup> In addition, financial information regarding the issuer will be disclosed or incorporated in the prospectus accompanying the offering of Securities.

Based on the above, the Commission finds that the proposal to trade the Securities is consistent with the Act, and, in particular, the requirements of Section 6(b)(5).<sup>13</sup>

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the Federal Register in order to allow NYSE to list the Securities without delay. The proposal will provide the Exchange with increased flexibility in the listing of commodity linked products without compromising investor protection concerns. In addition, the NYSE proposal is nearly identical to the Amex ComPS proposal, with the securities being based on the same commodities underlying the futures contracts, and subject to the same valuation methods used for ComPS. The Amex proposal was subject to the full notice and comment period and the Commission notes that no comment letters were received. Accordingly, the Commission does not believe the NYSE proposal raises any new or unique regulatory issues. For these reasons, the Commission believes there is good cause, consistent with Sections 6(b)(5) and 19(b)(2) of the Act, to approve the proposed rule change on an accelerated basis.

<sup>10</sup> The NYSE circular will be submitted to the Commission for its review and should include, among other things, a discussion of those risks which may cause commodities to experience volatile price movements in addition to details on the pricing methodology to be used for that particular issuance.

<sup>11</sup> As discussed above, members of the policy committee are expressly prohibited from trading Securities and from communicating any knowledge concerning changes in the value of the underlying commodities. The NYSE has advised that it has surveillance procedures in place to periodically review activity in the Securities, including the ability to monitor any activity in the Securities by members of the JPMCI. Telephone conversation between Vincent Patten, NYSE, and Stephen M. Youhn, SEC, on May 7, 1996.

<sup>12</sup> Paragraph 703.19(1) of the Manual states that if the issuer is a NYSE-listed company, the issuer must be a company in good standing (i.e., above Continued Listing Criteria); if an affiliate of an NYSE-listed company, the NYSE-listed company must be a company in good standing; if not listed, the issuer must meet NYSE specific original listing standards. These standards, among other things, set forth minimum requirements for net tangible assets, net income, and aggregate market value of publicly held shares.

<sup>13</sup> The Commission notes that a Rule 19b-4 filing might be required in order to list any other derivative product based upon a commodity interest that differs from the proposed Securities.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by June 6, 1996.

It therefore is ordered, pursuant to Section 19(b)(2) of the Act,<sup>14</sup> that the proposed rule change (SR-NYSE-96-08) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>15</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

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#### SMALL BUSINESS ADMINISTRATION

##### Request for Comments

The U.S. Small Business Administration's (SBA) Office of Government Contracting requests comments on a possible Agency initiative to develop a concept for the provision of Value Added Services (VAS) to small businesses seeking Federal procurement opportunities through electronic commerce and electronic data interchange (EC/EDI). It is envisioned that these services would be priced using a fee schedule determined through negotiations with the SBA. It is important to note that the Agency does not intend to compete with existing value-added-network (VAN) service providers. Rather, the SBA seeks to increase substantially the exposure of

<sup>14</sup> 15 U.S.C. 78s(b)(2) (1988).

<sup>15</sup> 17 CFR 200.30-3(a)(12).

small businesses to the various processes associated with participating in EC/EDI. The SBA is exploring the possibility of soliciting proposals from interested offerors at a later date. However, at this time, no decision has been made on proceeding with a procurement action.

#### Background

The mission of the SBA's Office of Government Contracting is to advocate, facilitate and create an environment conducive to the maximum practicable participation by small, small disadvantaged, and women-owned businesses in Federal procurement. This includes awards made by the U.S. Government and subcontracts awarded by its large prime contractors. The direction of Federal procurement policy was substantially altered by a 1993 memorandum from the President directing the heads of departments and agencies to re-engineer the procurement process by developing and implementing a system for Federal EC/EDI. The Federal Acquisition Streamlining Act (FASA) of 1994 dubbed the resulting systems architecture as FACNET, and established the initial statutory framework necessary to transition Federal purchasing activities to EC/EDI. Consistent with the provisions of the President's memorandum, electronic purchasing initially focused on the millions of requirements filled using simplified acquisition procedures, the ceiling for which was raised by FASA to a maximum of \$100K for FACNET-certified purchasing activities. Simplified acquisitions, which are reserved primarily for small businesses, have been conducted increasingly via FACNET.

A major component of the current FACNET systems architecture is its Centralized Contractor Registration (CCR) data base. The purposes of the FACNET CCR include: (1) Eliminating redundancy by standardizing the contractor registration procedure across the Government; and (2) providing a common data base for compiling and sharing trading partner information. The concept for which the SBA is seeking comments is rooted in the critical need for increased contractor participation in EC/EDI. The concept is centered around the identification, pricing and delivery of value added services (VAS) to small businesses by a single provider.

#### Purpose

The purpose of this request for comments is to solicit information, observations and suggestions on the feasibility and nature of establishing

and supporting a VAS provider with a vehicle that would:

1. Offer lower introductory VAS prices to small businesses for a period not to exceed one year so that small businesses would be encouraged to participate in EC/EDI, and, based on that exposure, make informed decisions about continued participation.
2. Provide those SBA offices who are actively involved in EC/EDI outreach and counseling, with an established source of affordable VAS to which small businesses could be directed.
3. Dramatically increase the population of firms centrally registered for FACNET.

General Specifications: Any Value Added Network (VAN) services provided by the established source would be provided through a VAN certified by the Defense Information Services Agency Contracting Office (DITCO), and such VAN services would be provided in accordance with the VAN licensing agreement signed by the VAN and DITCO. Additionally, the established VAS provider would ensure that each small business recruited pursuant to any agreement is successfully registered on the CCR and certified for FACNET transactions.

SBA's Role in Outreach: SBA would distribute information on the services and pricing of the established VAS to the Agency's Regional and District Offices, Business Information Centers (BICs), Government Contracting Area Directors, Procurement Center Representatives, Women's Demonstration Project Sites, Small Business Development Centers, Management and Technical Assistance Providers, One-Stop Capital Shops, Small Business Utilization Staffs, and other entities involved in promoting or assisting in small business development.

The following individual is designated as the point of contact for responses which must be submitted in writing before the close of business on June 21, 1996. Submission of comments by mail, FAX or INTERNET E-mail is acceptable: Oliver H. Snyder III, 409 3rd Street SW, Office Code-6254, Washington, D.C. 20416. Phone Number: 202-205-7650. FAX Number: 202-205-7324. Internet Address: ohs@pa.sba.gov.

Judith A. Roussel

*Associate Administrator, for Government Contracting.*

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## DEPARTMENT OF STATE

[Public Notice No. 2385]

### Advisory Committee on International Law; Notice of Meeting

A meeting of the Advisory Committee on International Law will take place on Tuesday, June 11, 1996, from 2:00 to approximately 5:00 p.m., as necessary in Room 1406 of the U.S. Department of State, 2201 C Street, NW., Washington, DC. The meeting will be chaired by the Legal Adviser of the Department of State, Conrad K. Harper, and will be open to the public up to the capacity of the meeting room. The meeting will focus on a review of current International Court of Justice litigation, International Court of Justice and International Law Commission elections during 1996, and other current developments.

Entry to the building is controlled and will be facilitated by advance arrangements. Members of the public desiring access to the session should, by Friday, June 7, 1996 notify the Office of the Assistant Legal Adviser for United Nations Affairs (telephone (202) 647-2767) of their name, Social Security number, date of birth, professional affiliation, address and telephone number in order to arrange admittance. The above includes government and non-government attendees. All attendees must use the "C" Street entrance. One of the following valid IDs will be required for admittance: Any U.S. driver's license with photo, a passport, or a U.S. Government agency ID.

Dated: May 6, 1996.

John R. Crook,

*Assistant Legal Adviser for United Nations Affairs; Executive Director, Advisory Committee on International Law.*

[FR Doc. 96-12248 Filed 5-15-96; 8:45 am]

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[Public Notice No. 2387]

### Shipping Coordinating Committee; Subcommittee for the Prevention of Marine Pollution; Notice of Meeting

The Subcommittee for the Prevention of Marine Pollution (SPMP), a subcommittee of the Shipping Coordinating Committee, will conduct an open meeting on Tuesday, June 25, 1996, at 9:30 am in Room 2415 of the U.S. Coast Guard Headquarters, 2100 Second Street, SW., Washington, DC.

The purpose of this meeting will be to review the agenda items to be considered at the thirty-eighth session of the Marine Environment Protection