

requirements of Section 17A(b)(3)(F)⁹ of the Act and the rules and regulations thereunder since it will facilitate the prompt and accurate clearance and settlement of securities transactions and, in general, will protect investors and the public interest.

(B) Self-Regulatory Organization's Statement on Burden on Competition

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Section 17A(b)(3)(F)¹⁰ of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency and generally to protect investors and the public interest. The Commission believes the proposed rule change is consistent with NSCC's obligations under the Act because it will allow NSCC to take particular action to protect itself, its members, and investors in situations where settling members pose an increased risk because of their involvement in OTC market making.

Under the proposal, NSCC will continue to have the authority with respect to settling members which participate in OTC market making activities or clear for correspondents that engage in such activity (1) to place such members on Class A surveillance, (2) to require such members to post additional collateral with NSCC, and (3) to calculate an alternative clearing fund requirement for such members when additional risk factors are present. Collectively, the higher level of surveillance, the additional level of collateralization, and the alternative clearing fund requirements should help to ameliorate NSCC's exposure which in turn should assist NSCC in fulfilling its obligations under the Act to safeguard securities and funds for which it has control of or is responsible for and to protect investors and the public interest.

At NSCC's request, the Commission is extending temporary approval of the proposed rule change through May 31, 1998, so that NSCC can gain additional experience in the surveillance of OTC market makers and the risks posed by clearing such activity prior to permanent imposition of the new Class A surveillance procedures, collateralization requirements, and alternative clearing fund formula. Temporary approval also will allow both the Commission and NSCC to continue to observe whether the additional collateralization and alternative clearing fund requirements adequately protect NSCC, its members, and investors from the expected risks of participating in and clearing OTC market maker activity and whether adjustments to the procedures are necessary.¹¹

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing because accelerated approval will allow NSCC to continue to utilize its Class A surveillance procedures, the interim collateralization policy, and the alternative clearing fund formula without interruption and therefore to continue to protect itself, its participants, and investors in general from the potential risks of OTC market making activities.

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, N.W., 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

¹¹ As noted in the May approval order, prior to filing a proposed rule change seeking permanent approval of the procedures set forth in this temporary approval order, NSCC shall present to the Commission a more detailed report on its findings regarding the adequacy of the controls and discussing any changes to be made to the procedures. During the temporary approval period, NSCC will continue to apprise the Commission from time to time on the operation of the Class A surveillance procedures, additional collateralization requirements, and alternative clearing fund formula to enable the Commission to monitor the implementation of such requirements.

provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of NSCC. All submissions should refer to the file number SR-NSCC-97-04 and should be submitted by June 9, 1997.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-97-04) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-17034 Filed 5-16-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38624; File No. SR-NSCC-96-20]

Self-Regulatory Organizations; National Securities Clearing Corporation; Order Granting Approval of a Proposed Rule Change to Revise Rules Relating to Clearing Agency Cross-Guaranty Agreements

May 13, 1997.

On November 14, 1996, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NSCC-96-20) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on March 6, 1997.² No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

I. Description

The purpose of the proposed rule change is to modify the definition of "Clearing Agency Cross-Guaranty Agreement." In 1993, the Commission approved a proposed rule change filed by NSCC to establish a Netting Contract and Limited Cross-Guaranty Agreement between it and the Depository Trust

¹² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 38350 (February 27, 1997), 62 FR 10601.

⁹ 15 U.S.C. 78q-1(b)(3)(F).

¹⁰ *Id.*

Company ("DTC").³ In connection with the implementation of the NSCC-DTC Agreement, a definition of a "Clearing Agency Cross-Guaranty Agreement" was added to NSCC's rules. The definition was limited to registered clearing agencies because NSCC believed that only registered clearing agencies would enter into such arrangements.

In 1995, the Commission approved a proposed rule change filed by NSCC to establish the Collateral Management Service ("CMS").⁴ In order to provide their participants with a more accurate and broader picture of the aggregate amount of their clearing fund deposits and collateral, NSCC and other participating clearing entities recognized that other types of clearing entities should be included in the CMS. This broad category of participating entities is reflected in Rule 53 (CMS Rule) of NSCC's rules which includes clearing organizations affiliated with or designated by contract markets trading specific futures products under the oversight of the Commodity Futures Trading Commission. The proposed rule change modifies the definition of clearing agency cross-guaranty agreement to permit NSCC to enter into limited cross guaranty agreements with the same broad category of clearing entities as provided in the CMS.

II. Discussion

Section 17A(b)(3)(F)⁵ provides that the rules of a clearing agency must be designed to assure the safeguarding of securities and funds in the custody or control of the clearing agency or for which is responsible. The Commission believes that cross-guaranty agreements can serve as a method for further reducing clearing agencies' risk of loss due to common participant's default. Consequently, cross-guaranty agreements should assist clearing agencies in assuring the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in

particular Section 17A of the Act 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-96-20) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-13035 Filed 5-16-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Agio Capital Partners I, L.P.; Notice of Issuance of a Small Business Investment Company License

[License No. 05/75-0224]

On February 28, 1996, an application was filed by Agio Capital Partners I, L.P., 601 Second Avenue South, First Bank Place, Suite 4600 Minneapolis, Minnesota, with the Small Business Administration (SBA) in accordance with Section 107.300 of the Regulations governing small business investment companies (13 C.F.R. 107.300 1996) for a license to 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. 05/75-0224 on January 10, 1997 to Agio Capital Partners I, L.P. to operate as a small business investment company.

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

Dated: May 13, 1997.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 97-13026 Filed 5-16-97; 8:45 am]

BILLING CODE 8025-01-P

TENNESSEE VALLEY AUTHORITY

Paperwork Reduction Act of 1995, as Amended by P.L. 104-13; Submission for OMB Review; Comment Request

AGENCY: Tennessee Valley Authority.

ACTION: Submission for OMB review; comment request.

SUMMARY: The proposed information collection described below will be

submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35, as amended). The Tennessee Valley Authority is soliciting public comments on this proposed collection as provided by 5 C.F.R. Section 1320.8(d)(1). Requests for information, including copies of the information collection proposed and supporting documentation, should be directed to the Acting Agency Clearance Officer: Wilma H. McCauley, Tennessee Valley Authority, 1101 Market Street (WR 4Q), Chattanooga, Tennessee 37402-2801; (423) 751-2523.

Comments should be sent to OMB Office of Information and Regulatory Affairs, Attention: Desk Officer for Tennessee Valley Authority no later than June 18, 1997.

SUPPLEMENTARY INFORMATION:

Type of Request: Regular submission, proposal to extend with minor revisions a currently approved collection of information (OMB control number 3316-0062).

Title of Information Collection: TVA Procurement Documents, including Invitation to Bid, Request for Proposal, Request for Quotation, and other related Procurement or Sales Documents.

Frequency of Use: On occasion.

Type of Affected Public: Individuals or households, businesses or other for-profit, non-profit institutions, small businesses or organizations.

Small Business or Organizations Affected: Yes.

Federal Budget Functional Category Code: 999.

Estimated Number of Annual Responses: 71,500.

Estimated Total Annual Burden Hours: 68,000.

Estimated Average Burden Hours Per Request: 1.78

Need For and Use of Information: TVA procures good and services to fulfill its statutory obligations and sells surplus items to recover a portion of its investment costs. This activity must be conducted in compliance with a variety of applicable laws, regulations, and Executive Orders. Vendors and purchasers who voluntarily seek to contract with TVA are affected.

William S. Moore,

Senior Manager, Administrative Services.

[FR Doc. 97-12963 Filed 5-16-97; 8:45 am]

BILLING CODE 8120-08-P

³ Securities Exchange Act Release No. 33145 (November 3, 1993), 58 FR 59766 [File No. SR-NSCC-93-07] (order approving proposed rule change relating to a netting contract and limited cross guaranty agreement) ("NSCC-DTC Agreement").

⁴ Securities Exchange Act Release No. 35809 (June 5, 1995), 60 FR 30912 [File No. SR-NSCC-95-06] (order approving proposed rule change establishing CMS).

⁵ 15 U.S.C. 78q-1(b)(3)(F).

⁶ 17 CFR 200.30-3(a)(12).