

to our future notice of proposed rulemaking, we will not be able to complete this rulemaking by the current expiration date of our rules. We therefore intend to issue a notice of proposed rulemaking to extend the existing rules while we complete this rulemaking.

We currently intend to complete our pending study of the CRS business and airline marketing practices before we issue a notice of proposed rulemaking in this proceeding. We note that we followed a similar procedure in our last major CRS rulemaking.

## Regulatory Process Matters

### Regulatory Assessment

Our CRS rules were a significant regulatory action under section 3(f) of Executive Order 12866 and were reviewed by the Office of Management and Budget under that order. As required by section 6(a)(3) of that Executive Order, we prepared an assessment of the rules' costs and benefits. The rules were also significant under the regulatory policies and procedures of the Department of Transportation, 44 FR 11034.

At this point, we do not know whether we will propose new rules that would have a substantial impact and would thus be considered significant under the Executive Order.

The comments submitted in response to this notice should address the potential effects any changes would have on the economy, costs or prices for consumers and the government, and adverse effects on competition.

We do not expect that this rulemaking will impose unfunded mandates or requirements that will have any impact on the quality of the human environment.

### Regulatory Flexibility Analysis

The Regulatory Flexibility Act of 1980, 5 U.S.C. 601 *et seq.*, was enacted by Congress to ensure that small entities are not unnecessarily and disproportionately burdened by government regulations. The act requires agencies to review proposed regulations that may have a significant economic impact on a substantial number of small entities. For purposes of this rule, small entities include smaller U.S. and foreign airlines and smaller travel agencies.

Any rules adopted by us regulating CRS operations are likely to affect the operations of many small entities, primarily travel agencies, even though they would not be regulated directly if we readopted the existing rules. When

we publish a notice of proposed rulemaking in this proceeding, we will include an initial regulatory flexibility analysis as required by the Regulatory Flexibility Act.

That act also requires each agency to periodically review rules which have a significant economic impact upon a substantial number of small entities. 5 U.S.C. 610. This rulemaking will constitute the required review of our CRS rules.

### Paperwork Reduction Act

The current rules contain no collection-of-information requirements subject to the Paperwork Reduction Act, Public Law No. 96-511, 44 U.S.C. Chapter 35. See 57 F.R. at 43834.

### Federalism Implications

This request for comments will have no substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with Executive Order 12812, we have determined that it does not present sufficient federalism implications to warrant preparation of a Federalism Assessment.

### List of Subjects in 14 CFR Part 255

Air carriers, Antitrust, Consumer protection, Reporting and recordkeeping requirements, Travel agents.

Issued in Washington, DC on August 28, 1997.

**Rodney E. Slater,**

*Secretary of Transportation.*

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## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### 15 CFR Part 922

[Docket No. 970404078-7078-01]

RIN 0648-AE41

### Proposed Thunder Bay National Marine Sanctuary

**AGENCY:** Sanctuaries and Reserves Division (SRD), Office of Ocean and Coastal Resource Management (OCRM), National Ocean Service (NOS), National Oceanic and Atmospheric Administration (NOAA), Department of Commerce (DOC).

**ACTION:** Proposed rule; extension of comment period.

**SUMMARY:** The National Oceanic and Atmospheric Administration's Sanctuaries and Reserves Division (NOAA/SRD) issued a proposed rule on June 23, 1997 (62 FR 33768) to designate an approximately 808 square-mile area of Great Lakes waters on Lake Huron, Michigan, over and surrounding Thunder Bay, and the submerged lands thereunder, off the northeastern coast of the State of Michigan, as a National Marine Sanctuary. The original public comment period on this proposal was to close on September 22, 1997. During July 1997, representatives of a variety of interests in the communities adjoining the proposal area formed a group to work with NOAA and the State of Michigan on completion of the process to consider the designation of Thunder Bay as a National Marine Sanctuary. Those communities requested additional time to review the proposal and to develop recommendations for NOAA and the State. On July 23, 1997, NOAA extended the public comment period through October 31, 1997 (62 FR 39494). Pursuant to requests from community representatives, a Sanctuary Advisory Council (SAC) has been established to facilitate public review and discussion of the proposal, and to make written recommendations to NOAA and the State of Michigan regarding various alternatives, and other comments on the Draft Environmental Impact Statement/Draft Management Plan by October 3, 1997. The SAC conducted its first meeting on August 26, 1997, and has recommended an additional extension to the comment period, to allow time for completion of the SAC's responsibilities. NOAA has adopted this recommendation. This notice extends the comment period through November 14, 1997.

**DATES:** Comments on the DEIS/DMP must be received by November 14, 1997.

**ADDRESSES:** Written comments should be sent to Ellen L. Brody, On-Site Liaison, Thunder Bay Project, Sanctuaries and Reserves Division, National Oceanic and Atmospheric Administration, Great Lakes Environmental Research Laboratory (GLERL), 2205 Commonwealth Boulevard, Ann Arbor, Michigan 48105-2945. Comments will be available for public inspection at the GLERL offices.

**FOR FURTHER INFORMATION CONTACT:** Karen Brubeck at (616) 526-8434, Ellen Brody at (313) 741-2270, or Sherrard Foster at (301) 713-3137, ext. 151.

Dated: September 4, 1997.

**Nancy Foster,**

*Assistant Administrator for Ocean Services  
and Coastal Zone Management.*

[FR Doc. 97-23982 Filed 9-9-97; 8:45 am]

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## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Parts 1, 30, 33 and 190

#### Distribution of Risk Disclosure Statements by Futures Commission Merchants and Introducing Brokers

**AGENCY:** Commodity Futures Trading  
Commission.

**ACTION:** Proposed rules.

**SUMMARY:** The Commodity Futures Trading Commission ("CFTC" or "Commission") is proposing to amend its Rule 1.55 in order that futures commission merchants ("FCMs") or introducing brokers ("IBs") would no longer be required to furnish the specified written risk disclosure statement to certain categories of financially accredited customers or to obtain from these customers written acknowledgments of receipt of the risk disclosure statement before opening a commodity futures account for such customers. In addition, the Commission is proposing amendments to relieve FCMs and IBs from requirements to furnish disclosure statements to these customers pursuant to Rule 30.6(a) (risk disclosure pertaining to foreign futures or foreign options), Rule 33.7(a) (risk disclosure pertaining to domestic exchange-traded commodity options), Rule 1.65(a)(3) (risk disclosure for customers whose accounts are transferred other than at the customer's request to another FCM or IB) and Rule 190.10(c) (disclosure pertaining to treatment in bankruptcy of non-cash margin held by an FCM).

**DATES:** Comments must be received on or before November 10, 1997.

**ADDRESSES:** Comments on the proposed amendments should be sent to Jean A. Webb, Secretary of the Commission, Commodity Futures Trading Commission, 1155 21st Street, NW., Washington DC 20581. In addition, comments may be sent by facsimile transmission to facsimile number (202) 418-5221, or by electronic mail to [secretary@cftc.gov](mailto:secretary@cftc.gov). Reference should be made to "FCM/IB Risk Disclosure Amendments."

**FOR FURTHER INFORMATION CONTACT:** Thomas E. Joseph, Attorney-Adviser, Division of Trading and Markets, Commodity Futures Trading

Commission, 1155 21st Street, NW., Washington DC 20581. Telephone (202) 418-5450.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

CFTC rules require FCMs and IBs to provide customers with Commission-approved disclosure statements describing the risks of trading in domestic (and, as applicable, foreign) commodity futures and options and to receive written acknowledgment of receipt of such statements prior to opening an account for the customer.<sup>1</sup> In addition, Commission Rule 190.10(c) requires an FCM to provide a customer with a disclosure statement concerning the treatment in bankruptcy of any non-cash property deposited as margin at the FCM by a customer before the FCM may accept non-cash property from the customer to margin, guarantee or secure any commodity contract.<sup>2</sup>

In 1993 and 1994, the Commission amended its rules to simplify these disclosure requirements, reduce the potential for duplicative disclosure requirements and ease administrative burdens on FCMs and IBs without sacrificing the important customer protection purposes served by these regulations. In this regard, the Commission adopted amendments to consolidate the risk disclosures required by Rules 1.55(a) and 30.6(a) into a single, generic statement set forth in CFTC Rule 1.55(b) satisfying risk disclosure obligations with respect to domestic futures transactions and foreign futures and options transactions.<sup>3</sup> In addition, the Commission amended its rules to include the generic risk disclosure statement set forth in Appendix A to CFTC Rule 1.55, which may be used to satisfy the risk disclosure obligations under Commission Rules 1.55(a), 30.6(a) and 33.7(a) for domestic futures and commodity options transactions, foreign futures and commodity options transactions and the CFTC Rule 190.10 disclosure concerning non-cash property used to margin futures transactions, as well as to satisfy the risk

disclosure requirements of certain foreign jurisdictions.<sup>4</sup>

When adopting the generic risk disclosure statement set forth in Appendix A to Rule 1.55 and the related rule amendments, the Commission noted that one commenter on the proposed rule amendments had suggested that the Commission eliminate the requirement of receipt of a written acknowledgment of disclosure with respect to sophisticated investors.<sup>5</sup> The Commission determined not to address the issues raised by that comment at that time. However, since adopting the Rule 1.55 Appendix A risk disclosure statement, the Commission has assessed the results of efforts in other contexts to reduce disclosure requirements and other regulatory burdens on Commission registrants without undermining consumer protection safeguards. For example, the Commission has acquired substantial experience with the simplified disclosure regime for sophisticated commodity pool investors and clients of commodity trading advisors ("CTAs") established in 1992 in Rule 4.7.<sup>6</sup> Under Rule 4.7, CPOs offering pool participations to qualified participants and CTAs offering managed account programs to qualifying clients may be exempted from the requirement to deliver a disclosure document containing the disclosures specified in Rules 4.24 and 4.25 for CPOs and 4.34 and 4.35 for CTAs. However, they remain subject to statutory and regulatory antifraud prohibitions and

<sup>4</sup> See 59 FR 34376 (July 5, 1994) (amending rules so that single risk disclosure statement set forth in Appendix A of Rule 1.55 would satisfy risk disclosure obligations under Rules 1.55(a), 30.6(a) and 33.7(a) as well as disclosure required pursuant to Rule 190.10(c)). The risk disclosure statement set forth at Appendix A to Rule 1.55 also fulfills risk disclosure requirements in the United Kingdom and Ireland for certain specified instruments. The rules proposed herein would not alter an FCM's or IB's disclosure obligations under the laws or regulations of any foreign jurisdiction. Further, as the Commission has previously emphasized, compliance with the risk disclosure obligations specified in CFTC Rules 1.55, 30.6 and 33.7 does not relieve FCMs and IBs of obligations under the Commodity Exchange Act ("Act"), state and common law, or Commission rule 1.55(f) to disclose to customers all material information concerning a transaction. See, e.g., *it*, at 34378. Nor does compliance with these Commission rules fulfill individual exchange particularized risk disclosure requirements related to linkage arrangement and other special products.

<sup>5</sup> *Id.* at 34378.

<sup>6</sup> Rule 4.7 became effective September 8, 1992. 57 FR 34853 (August 7, 1992) (adopting release for Rule 4.7). Among other things, Rule 4.7 relieves commodity pool operators ("CPOs") and CTAs from most specified reporting and disclosure obligations, including risk disclosure obligations, with respect to certain qualified eligible participants ("QEPs") in rule 4.7 pools or qualified eligible clients ("QECs") of a CTA, as defined in the rule.

<sup>1</sup> See Rule 1.55(a) (risk disclosure requirement concerning trading domestic commodity futures); rule 30.6(a) (risk disclosure requirement concerning non-United States commodity futures or options contracts); and rule 33.7(a) (risk disclosure requirement concerning domestic, exchange-traded commodity options).

<sup>2</sup> Commission rule 190.10 does not require an FCM to obtain a customer's written acknowledgment of receipt of this statement.

<sup>3</sup> See 58 FR 17495 (April 5, 1993) (amending rules to consolidate foreign futures and foreign commodity options risk disclosure statement required by Rule 30.6(a) with the domestic futures risk disclosure statement required by Rule 1.55(a)).