

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 provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-BSE-97-04 and should be submitted by October 29, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39179; File No. SR-CBOE-97-47]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to Option Trading Permit Bid Fee

October 1, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, notice is hereby given that on September 18, 1997, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The CBOE is proposing to amend the manner in which it assesses the Exchange fee that is charged when a person submits a bid to receive an

Option Trading Permit ("OTP") from the OTP lease pool.

The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the CBOE included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The CBOE has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

CBOE Rule 3.27(a)(3) provides for the creation of an OTP lease pool to be administered by the Exchange. The procedures for the administration of this lease pool were previously filed with and approved by the Commission.² Under these procedures, the Exchange conducts an auction every six months during which members and non-members who have qualified for membership may submit bids equal to the monthly rent that the bidder is willing to pay for a month-to-month OTP lease. Upon the close of the bidding period, OTPs in the pool are awarded to the highest bidders in a number equal to the total number of OTPs in the lease pool at that time. The monthly rent to be paid by a lessee is the dollar value of the bid submitted by that lessee. Following each auction, the Exchange continues to accept bids for OTP leases. Should any OTP lessee desire to give up that lessee's OTP prior to the next auction, the OTP is transferred to the highest bidder at a monthly lease price equal to the new lessee's bid for the remainder of the six month auction cycle.

The procedures for the administration of the OTP lease pool also provide that a non-refundable \$500 fee will be assessed by the Exchange any time an OTP bid is submitted. This fee is

intended to cover Exchange costs in connection with its administration of the OTP lease pool.

The Exchange proposes to amend the manner in which it assesses the \$500 OTP bid fee. Specifically, the Exchange proposes not to charge the fee to any current OTP lease pool lessee who submits a bid in connection with one of the Exchange's bi-annual OTP lease pool auctions. The \$500 OTP bid fee would continue to be assessed to anyone who submits a bid in connection with one of the Exchange's bi-annual OTP lease pool auctions and is not currently an OTP lease pool lessee. In addition, the \$500 OTP bid fee would continue to be assessed to anyone who is not currently an OTP lease pool lessee and submits an OTP bid during a six month OTP lease cycle and not in connection with one of the Exchange's bi-annual OTP lease pool auctions.

The Exchange has determined that it is not necessary to assess a \$500 OTP bid fee to a current OTP lease pool lessee in connection with a bi-annual OPT lease auction because that person will have already paid a \$500 OTP bid fee to the Exchange.³

The Exchange also proposes to amend the procedures for the administration of the OTP lease pool to clarify that the \$500 OTP bid fee is not assessed when a bid is canceled or replaced with another bid. The Exchange is not waiving the \$500 OTP bid fee for an OTP lease pool lessee who terminates his or her OTP lease and later submits another bid for an OTP in the lease pool because there is administrative work involved in processing a change in OTP lessees.

The proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(4) of the Act in particular, in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition.

³ It should be noted that a current OTP lease pool lessee may not submit an OTP bid during the six month OTP lease cycle (except for a bid that is in connection with the next bi-annual OTP lease pool auction). This is the case because in order for a person to submit an OTP bid, that person must be immediately eligible to become an OTP lease pool lessee. A current OTP lease pool lessee is not immediately eligible to become an OTP lease pool lessee for another OTP because that person is already leasing an OTP from the lease pool, and a person can only lease one OTP from the lease pool at a time.

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. § 78s(b)(1).

² The procedures for the administration of the OTP lease pool were filed with the Commission in SR-CBOE-97-14. SR-CBOE-97-14 provided for the issuance of OTPs in connection with the transfer of the options business of the New York Stock Exchange, Inc. to CBOE and defined the rights and obligations associated with OTPs. SR-CBOE-97-14 was approved by the Commission in Securities Exchange Act Release No. 38541 (April 23, 1997), 62 FR 23516 (April 30, 1997).

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

No written comments were solicited or received with respect to the proposed rule change.

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

The proposed rule change establishes or changes a due, fee, or other charge imposed by the Exchange and therefore, has become effective pursuant to Section 19(b)(3)(A)(ii)⁴ of the Act and Rule 19b-4(e)(2)⁵ thereunder. At any time within 60 days of the filing of a rule change, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

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, DC 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-97-47 and should be submitted by October 29, 1997.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-26576 Filed 10-7-97; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[License No. 02/72-0576]

Early Stage Enterprises, L.P.; Notice of Issuance of a Small Business Investment Company License

On July 19, 1996, an application was filed by Early Stage Enterprises, L.P., at 221 Nassau Street, 3rd Floor, Princeton, New Jersey 08542 with the Small Business Administration (SBA) pursuant to Section 107.300 of the Regulations governing small business investment companies (13 C.F.R. 107.300 (1997)) 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. 02/72-0576 on September 26, 1997, to Early Stage Enterprises, L.P. to operate as a small business investment company.

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

Dated: October 2, 1997.

Don A. Christensen,

Associate Administrator for Investment.

[FR Doc. 97-26689 Filed 10-7-97; 8:45 am]

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DEPARTMENT OF STATE

Office of the Secretary

[Public Notice 2613]

Determination on Export-Import Bank Support for the Sale to the Commonwealth of the Bahamas of Defense Articles or Services to be Used Primarily for Counter-Narcotics Purposes

Pursuant to section 2(b)(6) of the Export-Import Bank Act of 1945, as amended, and Executive Order 11958 of January 18, 1977, as amended by Executive Order 12680 of July 5, 1989, I hereby determine that:

(1) The defense articles and services for which the Government of the Commonwealth of The Bahamas has requested Export-Import Bank financial guarantees, two (2) 60 meter patrol craft, are being sold primarily for anti-narcotics purposes;

(2) The sale of such defense articles and services would be in the national interest of the United States;

(3) The requirement for a determination that the Commonwealth of The Bahamas has complied with all

restrictions imposed by the United States on the end use of defense articles or services for which the Export-Import Bank has provided guarantees or insurance under section 2(b)(6) of the Export-Import Bank Act is inapplicable because the pending financing will be the first Ex-Im Bank transaction with The Bahamas made under section 2(b)(6) of the Act.

(4) The requirement for a determination that the Commonwealth of The Bahamas has not used defense articles or services for which the Export-Import Bank has provided guarantees or insurance under section 2(b)(6) of the Export-Import Bank Act to engage in a consistent pattern of gross violations of international recognized human rights is inapplicable because the pending financing will be the first Ex-Im Bank transaction with The Bahamas made under section 2(b)(6) of the Act.

The determination shall be reported to the Congress and shall be published in the **Federal Register**.

Dated: September 24, 1997.

Strobe Talbott,

Acting Secretary of State.

Justification for Determination

Pursuant to Section 2(b)(6) of the Export-Import Bank Act of 1945, as amended, and E.O. 12680 of July 5, 1989, I have made the determination required to authorize financing by the Export-Import Bank of the United States of defense articles or services to be used by the Government of the Commonwealth of The Bahamas primarily for counter-narcotics purposes.

The defense articles to be financed are two (2) 60 meter patrol boats built by Halter Marine, Gulfport, Mississippi. The new boats, by giving The Bahamas a better means for patrolling its large territorial waters, will further the joint U.S.-Bahamas effort ("Operation Bahamas and Turks (OPBAT)") to curtail the northward flow of cocaine, marijuana and other illegal substances from their production centers to the south.

Based on assurances from the Government of the Commonwealth of The Bahamas and the assessment of our Embassy in The Bahamas, I have determined that the vessels to be financed by the Export-Import Bank will be used primarily for counter-narcotics purposes. I have also determined that the sale will enhance U.S. Bahamas counter-narcotics cooperation and is therefore in the national interest. The Bahamas is a major drug transit country that the President has certified has cooperated fully with the United States

⁴ 15 U.S.C. § 78s(b)(3)(A)(ii).

⁵ 17 CFR 240.19b-4(e)(2).

⁶ 17 CFR 200.30-3(a)(12).