

financing, sale or installation of such equipment.

CEG may provide these services through one or more direct or indirect subsidiaries, either independently or through a joint venture or an alliance with a nonassociate company. In addition, CEG requests authority to acquire, directly or indirectly, the securities or an interest in the business of nonassociate companies that derive substantially all of their revenues from the proposed activities and those approved in the Existing CEG Order.

CEG seeks authority to provide or broker, directly or indirectly, financing to or for customers in connection with the proposed activities and those approved in the Existing CEG Order. Financing for purchases by CEG utility customers would be provided by nonassociates.

CEG also requests authority for associate distribution companies to assist in providing customer billing, accounting and other energy-related services in connection with the proposed sale of those goods and services and the sale of those goods and services approved in the Existing CEG Order that are marketed to CEG utility customers. All such services will be rendered at cost in accordance with section 13(b) of the Act.

In an order dated December 23, 1996 (HCAR No. 26634), the Commission reserved jurisdiction over participation by new direct or indirect subsidiaries of CEG engaged in new lines of business in CEG's money pool. CEG now requests that the Commission release this jurisdiction with respect to participation in the money pool by those direct and indirect subsidiaries that are formed or acquired to engage in the proposed activities. In addition, CEG and the Nonutility Services request that the Commission reserve jurisdiction over the proposed sale of goods and services outside the United States, other than Energy Management Services and Consulting Services and related customer financing.

CEG states that it will not seek recovery through higher rates to customers of the utility subsidiaries to compensate it for any losses or inadequate returns it may sustain from the proposed sale of goods and services. CEG additionally states that no associate company will engage in any of the proposed activities without further Commission approval if it would become a public utility company within the meaning of the Act as a result of that activity.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-5069 Filed 2-26-98; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39689; File No. SR-Amex-98-09]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Amendments to Amex Rule 117 (Circuit Breakers)

February 20, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Exchange Act" or "Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 17, 1998, the American Stock Exchange, Inc. ("Amex" 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 self-regulatory organization. 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 Amex proposes to amend procedures relating to circuit breaker trading halts. The text of the proposed rule change is available at the Office of the Secretary, the Amex 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 self-regulatory organization 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 self-regulatory organization 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

##### 1. Purpose

Amex Rule 117 provides for temporary halts in the trading of all securities on the Exchange for one-half hour if the Dow Jones Industrial Average<sup>SM</sup> (DJIA)<sup>3</sup> declines 350 points or more from the previous day's closing value and for one hour if the DJIA declines 550 points from the previous day's close. The Commission recently approved amendments to Rule 117 (and comparable rules of other self-regulatory organizations) relating to the timing and duration of trading halts under the rule.<sup>4</sup> If the DJIA declines 350 points prior to 3:00 p.m. (Eastern time), trading will halt for one-half hour; at or after 3:00 p.m., trading will not halt unless the DJIA declines 550 points. If the DJIA falls 550 points prior to 2:00 p.m., trading will halt for one hour; and, at or after 2:00 p.m., trading will halt for 30 minutes instead of one hour. If the 550 point trigger is reached at or after 3:00 p.m., trading on the Exchange will halt for the remainder of the day. These procedures have been approved on a pilot basis until April 30, 1998.

The Exchange proposes to amend Rule 117 to provide for circuit breakers to be triggered at 10 percent, 20 percent and 30 percent threshold levels. The specific threshold level would be adjusted quarterly, rounded to the nearest 50 points, based on the closing DJIA calculation for each trading day in the month preceding the beginning of the quarter.

Under the proposed amendments, a 10 percent decline before 2:00 p.m. (all times are in Eastern time) will result in a one-hour halt and, such a decline at or after 2:00 p.m. but before 2:30 p.m. will result in a 30-minute halt. At or after 2:30 p.m., the 10 percent threshold would be removed and, therefore, trading would continue unless the 20 percent threshold is reached, in which case, trading would halt for the remainder of the day. Generally, a 20 percent decline before 1:00 p.m. will result in a two-hour halt. If the 20 percent threshold is reached at or after 1:00 p.m. but before 2:00 p.m., there will be a one-hour halt. If the 20 percent threshold is reached at or after 2:00 p.m., trading will halt for the remainder of the day. A third circuit breaker, triggered at a 30 percent decline, will

<sup>3</sup> "Dow Jones Industrial Average" is a service mark of Dow Jones & Company, Inc.

<sup>4</sup> See Exchange Act Release No. 39582 (January 26, 1998), 63 FR 5408 (February 2, 1998).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1982).

<sup>2</sup> 17 CFR 240.19b-4 (1991).

close the market for the day regardless of when hit.

The Exchange has continued to discuss changes to circuit breaker parameters with the Commission and other self-regulatory organizations, particularly following the first triggering of circuit breakers on October 27, 1997, when the 350 and 550 point parameters represented moves in the DJIA of about 4.5 percent and 7.2 percent, respectively. These trigger levels represented market declines that were, in percentage terms, far less than the 250 and 400 point triggers implemented by all markets in October 1988, when they represented moves in the DJIA of about 12 percent and 19 percent, respectively. Therefore, a number of industry participants have expressed the view that the October 27, 1997 halt was unnecessary, and that circuit breaker parameters should be triggered only during periods of extraordinary market volatility. In addition, the Amex and other options exchanges have recognized the importance of maximizing the opportunity to allow the markets to have a normal end of the day close, particularly on Expiration Fridays. The proposed amendments to Rule 117 are responsive to these views, and provide the advantage of regular adjustments to circuit breaker thresholds to account for DJIA fluctuations.

The adoption of the proposed amendments to Exchange Rule 117 would be contingent upon the adoption of amended rules or procedures substantively identical to Rule 117 by:

(1) All United States securities exchanges and the National Association of Securities Dealers with respect to the trading of stocks, stock options and stock index options; and

(2) All United States futures exchanges with respect to the trading of stock index futures and options on such futures.

## 2. Basis

The Exchange believes that the proposal is consistent with Section 6(b)<sup>5</sup> of the Act, in general, and Section 6(b)(5)<sup>6</sup> of the Act, in particular, in that it is designed to remove impediments to and perfect the mechanism of a free and open market, to promote just and equitable principles of trade and, in general, to protect investors and the public interest.

<sup>5</sup> 15 U.S.C. 78f(b).

<sup>6</sup> 15 U.S.C. 78f(b)(5).

## 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 that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) As the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

## 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, 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 in the Commission's Public Reference Room, located at the above address. Copies of such filing will also be available for inspection and copying at the principal office of the self-regulatory organization. All submissions should refer to File No. SR-Amex-98-09 and should be submitted by March 20, 1998.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-5066 Filed 2-26-98; 8:45 am]

BILLING CODE 8010-01-M

## DEPARTMENT OF STATE

[Public Notice #2747]

## Delegation of Authority

By virtue of the authority vested in me by the laws of the United States, including the State Department Basic Authorities Act of 1956, and the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105-85) (The "Act"), I hereby delegate the authority vested in me by section 1211 of the Act to the Under Secretary of State for Arms Control and International Security Affairs or, in the absence of the Under Secretary of State for Arms Control and International Security Affairs, to any of the other Under Secretaries of State.

The Secretary or Deputy Secretary of State may at any time exercise any of the functions described above.

This delegation of authority shall be published in the **Federal Register**.

Dated: February 6, 1998.

**Madeleine Albright,**

*Secretary of State.*

[FR Doc. 98-4978 Filed 2-26-98; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39685; File No. SR-GSCC-97-09]

## Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Changes to the Fee Structure

February 19, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1935 ("Act"),<sup>1</sup> notice is hereby given that on January 5, 1998, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-GSCC-97-09) as described in Items I, II, and III below, which items have been prepared primarily by GSCC. The Commission is publishing this notice to

<sup>1</sup> 15 U.S.C. 78s(b)(1).