

Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 98-AAL-3." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available for examination in the Rules Docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

An electronic copy of this document may be downloaded, using a modem and suitable communications software, from the FAA regulations section of the Fedworld electronic bulletin board service (telephone: 703-321-3339) or the **Federal Register's** electronic bulletin board service (telephone: 202-512-1661).

Internet users may reach the **Federal Register's** web page at http://www.access.gpo.gov/su_docs for access to recently published rulemaking documents.

Any person may also obtain a copy of this NPRM by submitting a request to the Federal Aviation Administration, Office of Air Traffic Airspace Management, ATA-400, 800 Independence Avenue, SW., Washington, DC 20591, or by calling (202) 267-8783. Communications must identify the notice number of the NPRM. Persons interested in being placed on a mailing list for future NPRM's should request a copy of Advisory Circular No. 11-2A, Notice of Proposed Rulemaking Distribution System, which describes the application procedure.

The Proposal

The FAA is proposing an amendment to 14 CFR part 71 (part 71) to modify three colored Federal airways in Offshore Airspace Area 1234L, AK, by raising the floor of G-10, G-12, and R-99 from 1,200 feet AGL to 2,000 feet AGL. This action is being taken to raise the floors of the airways to be consistent with the 2,000-foot AGL floor of Offshore Control Area 1234L.

Colored Federal airways are published in paragraph 6009 of FAA Order 7400.9E dated September 10, 1997, and effective September 16, 1997, which is incorporated by reference in 14 CFR 71.1. The colored Federal airways listed in this document would be published subsequently in the Order.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this proposed regulation: (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034; February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p.389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9E, Airspace Designations and Reporting Points,

dated September 10, 1997, and effective September 16, 1997, is amended as follows:

Paragraph 6009(a)—Green Federal Airways

* * * * *

G-10

From Cape Newenham, AK, NDB; 20 AGL St. Paul Island, AK, NDB; 20 AGL Elfee, AK, NDB; 20 AGL INT Elfee NDB 041° and Port Heiden, AK, NDB 248° bearings; 20 AGL Port Heiden NDB; 67 miles 12 AGL, 77 miles 85 MSL, 67 miles 12 AGL, Woody Island, AK, NDB; to Kachemak, NDB.

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G-12

From Saldo, AK, NDB; 20 AGL Port Heiden, AK, NDB; 20 AGL Borland, AK, NDB; 20 AGL to Elfee, AK, NDB.

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Paragraph 6009(b)—Red Federal Airways

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R-99

From St. Paul Island, AK, NDB; 20 AGL Dutch Harbor, AK, NDB; 20 AGL Saldo, AK, NDB; 20 AGL Iliamna, AK, NDB; INT Iliamna NDB 124° and Kachemak, AK, NDB 269° bearings to Kachemak.

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Issued in Washington, DC, on March 6, 1998.

Reginald C. Matthews,

Acting Program Director for Air Traffic Airspace Management.

[FR Doc. 98-6633 Filed 3-13-98; 8:45 am]

BILLING CODE 4910-13-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 71

[Airspace Docket No. 97-AWP-35]

RIN 2120-AA66

Proposed Amendment of VOR Federal Airways; Kahului, HI

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).

SUMMARY: This notice proposes to amend the legal descriptions of seven Hawaiian Very High Frequency Omnidirectional Range (VOR) Federal airways due to the relocation of the Maui, HI, Very High Frequency Omnidirectional Range/Tactical Air Navigation (VORTAC). The FAA is taking this action to enhance safety and to improve the management of air traffic operations in the vicinity of Kahului, HI.

DATES: Comments must be received on or before April 30, 1998.

ADDRESSES: Send comments on the proposal in triplicate to: Manager, Air Traffic Division, AWP-500, Docket No. 97-AWP-35, Federal Aviation Administration, Room 6007, 15000 Aviation Boulevard, Lawndale, CA, 90261.

The official docket may be examined in the Rules Docket, Office of the Chief Counsel, Room 916, 800 Independence Avenue, SW., Washington DC, weekdays, except Federal holidays, between 8:30 a.m. and 5:00 p.m.

An informal docket may also be examined during normal business hours at the office of the Regional Air Traffic Division.

FOR FURTHER INFORMATION CONTACT: Bill Nelson, Airspace and Rules Division, ATA-400, Office of Air Traffic Airspace Management, Federal Aviation Administration, 800 Independence Avenue, SW., Washington, DC 20591; telephone: (202) 267-8783.

SUPPLEMENTARY INFORMATION:

Comments Invited

Interested parties are invited to participate in this proposed rulemaking by submitting such written data, views, or arguments as they may desire. Comments that provide the factual basis supporting the views and suggestions presented are particularly helpful in developing reasoned regulatory decisions on the proposal. Comments are specifically invited on the overall regulatory, aeronautical, economic, environmental, and energy-related aspects of the proposal. Communications should identify the airspace docket number and be submitted in triplicate to the address listed above. Commenters wishing the FAA to acknowledge receipt of their comments on this notice must submit with those comments a self-addressed, stamped postcard on which the following statement is made: "Comments to Airspace Docket No. 97-AWP-35." The postcard will be date/time stamped and returned to the commenter. All communications received on or before the specified closing date for comments will be considered before taking action on the proposed rule. The proposal contained in this notice may be changed in light of comments received. All comments submitted will be available for examination in the Rules Docket both before and after the closing date for comments. A report summarizing each substantive public contact with FAA personnel concerned with this rulemaking will be filed in the docket.

Availability of NPRM's

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The Proposal

The FAA is proposing an amendment to part 71 to amend the legal descriptions of seven Hawaiian VOR Federal airways due to the upgrade and relocation of the Maui, HI, VORTAC. The FAA is taking this action to enhance safety and improve the management of air traffic operations.

The FAA has determined that this regulation only involves an established body of technical regulations for which frequent and routine amendments are necessary to keep them operationally current. Therefore, this proposed regulation (1) is not a "significant regulatory action" under Executive Order 12866; (2) is not a "significant rule" under DOT Regulatory Policies and Procedures (44 FR 11034, February 26, 1979); and (3) does not warrant preparation of a regulatory evaluation as the anticipated impact is so minimal. Since this is a routine matter that will only affect air traffic procedures and air navigation, it is certified that this rule, when promulgated, will not have a significant economic impact on a substantial number of small entities under the criteria of the Regulatory Flexibility Act.

Hawaiian VOR Federal airways are published in paragraph 6010 of FAA Order 7400.9E dated September 10, 1997, and effective September 16, 1997, which is incorporated by reference in 14

CFR 71.1. The Hawaiian VOR Federal airways listed in this document would be published subsequently in the Order.

List of Subjects in 14 CFR Part 71

Airspace, Incorporation by reference, Navigation (air).

The Proposed Amendment

In consideration of the foregoing, the Federal Aviation Administration proposes to amend 14 CFR part 71 as follows:

PART 71—DESIGNATION OF CLASS A, CLASS B, CLASS C, CLASS D, AND CLASS E AIRSPACE AREAS; AIRWAYS; ROUTES; AND REPORTING POINTS

1. The authority citation for part 71 continues to read as follows:

Authority: 49 U.S.C. 106(g), 40103, 40113, 40120; E.O. 10854, 24 FR 9565, 3 CFR, 1959-1963 Comp., p. 389.

§ 71.1 [Amended]

2. The incorporation by reference in 14 CFR 71.1 of the Federal Aviation Administration Order 7400.9E, Airspace Designations and Reporting Points, dated September 10, 1997, and effective September 16, 1997, is amended as follows:

Paragraph 6010(c) Hawaiian VOR Federal Airways

* * * * *

V-1 [Revised]

From Kona, HI, via INT Kona 323° and Maui, HI, 180° radials; INT Maui 180° and Upolu Point, HI, 305° radials; INT Maui 197° and Upolu Point 305° radials; to Maui.

* * * * *

From Kona, HI, via INT Kona 323° and Maui, HI, 180° radials; INT Maui 180° and Upolu Point, HI, 305° radials; INT Maui 197° and Upolu Point 305° radials; to Maui.

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V-5 [Revised]

From Kona, HI, via INT Kona 338° and Maui, HI, 180° radials; to INT Maui 180° and Upolu Point, HI, 305° radials.

V-6 [Revised]

From INT Molokai, HI, 067° and Maui, HI, 329° radials, to Maui.

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V-11 [Revised]

From INT Kona, HI, 323° and Upolu Point, HI, 211° radials; via Upolu Point; INT Upolu Point 349° and Maui, HI, 081° radials; to Maui.

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V-15 [Revised]

From INT South Kauai, HI, 288° radial and long. 162°37'11"W., via South Kauai; Lihue, HI; INT Lihue 121° and Honolulu, HI, 269° radials; Honolulu; Koko Head, HI; Molokai,

HI, Maui, HI, INT Maui 096° and Hilo, HI, 336° radials; Hilo to INT Hilo 099° radial and long. 151°5'00"W.

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V-17 [Revised]

From INT Lanai, HI, 106° and Maui, HI, 197° radials; Maui. From INT Koko Head, HI, 071° and Maui 347° radials; to INT Maui 347° and Lihue, HI, 065° radials.

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V-22 [Revised]

From Molokai, HI, via INT Molokai 082° and Maui, HI, 329° radials; Maui; INT Maui 096° and Hilo, HI, 321° radials; Hilo; to INT Hilo 078° radial and long. 152°1'00"W.

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Issued in Washington, DC, March 6, 1998.

Reginald C. Matthews,

*Acting Program Director for Air Traffic
Airspace Management.*

[FR Doc. 98-6634 Filed 3-13-98; 8:45 am]

BILLING CODE 4910-13-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 1

Amendments to Minimum Financial Requirements for Futures Commission Merchants

AGENCY: Commodity Futures Trading Commission.

ACTION: Proposed rules.

SUMMARY: The Commodity Futures Trading Commission ("Commission" or "CFTC") proposes to amend its minimum financial requirements for futures commission merchants ("FCMs"). The proposed amendment would eliminate the charge against the net capital of an FCM, presently required by rule 1.17(c)(5)(iii). The charge is four percent of the market value of options sold by customers trading on contract markets or foreign boards of trade. It is generally referred to as the "short option value charge" or "SOV charge". The original intent in adopting this rule was to require FCMs to provide additional capital to offset the risk of short options positions carried on behalf of customers. The Commission is proposing to rescind this rule because it has determined that the charge is not closely correlated to the actual risk of the options carried on behalf of customers and, in any event, there are adequate other protections in place to address the risk of short options. In particular, the Standard Portfolio Analysis of Risk ("SPAN")

margin system has been effectively used to set appropriate levels of risk margin and there are many other non-capital protections. These protections include effective self-regulatory organization ("SRO") audit and financial surveillance programs and modern risk management and control systems at FCMs. Because of the demonstrated effectiveness of these programs, the Commission believes it may now be appropriate to rescind the SOV charge.

The Commission wishes to receive comments on this proposal. Comments are desired not only on the specific proposal itself, but also on all of the components of the system of protections that are designed to address the risk of short options, which are described below.

DATES: Comments must be received on or before May 15, 1998. Any requests for an extension of the comment period must be made in writing to the Commission within the comment period.

ADDRESSES: Comments may be sent to: Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581. Attn.: Secretariat with a reference to the Minimum Financial Requirement Rule—SOV Charge. Also, comments may be E-mailed to "secretary@cftc.gov".

FOR FURTHER INFORMATION CONTACT: Paul H. Bjarnason, Jr., Chief Accountant, 202-418-5459 or "paulb@cftc.gov"; or Lawrence B. Patent, Associate Chief Counsel, 202-418-5439 or "lpatent@cftc.gov". Mailing address: Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581.

SUPPLEMENTARY INFORMATION:

I. Background

On July 7, 1982,¹ the Commission proposed amendments to the rule governing the computation of net capital for FCMs to recognize the difference in risk between the purchase and sale of commodity options. The sale of an option ("short option") poses a greater risk to an FCM than does the purchase of an option ("long option") because the risk of a short option is unlimited. In contrast, long options pose a risk to the carrying FCM which is limited to the premium on the option. Once the premium is collected from the customer who purchased the option, there is no further risk of financial loss to the FCM

or the customer. In this connection, the Commission has proposed the repeal of Commission Regulation 33.4(a)(2) which requires the full payment of a commodity option premium at the time the option is purchased. The proposal was initially published for comment on December 19, 1997. The comment period was extended to March 4, 1998. The effect of the repeal would be to permit the futures-style margining of commodity options traded on regulated futures exchanges and is discussed in the initial notice of proposed rulemaking.²

To recognize the risk of carrying short options, the Commission adopted, effective September 21, 1982,³ a safety factor charge of four percent of the market value of exchange-traded (domestic and foreign) options granted or sold by an FCM's customers—the short option value charge ("SOV charge"), as set forth in Regulation 1.17(c)(5)(iii).⁴ However, over the years since its adoption, there have been complaints that the charge was not proportional to the risk of the options and was excessive in its financial burden upon the FCMs in terms of the cost of the capital required to carry the positions.

In June 1995, both the Chicago Board of Trade ("CBOT") and the Chicago Mercantile Exchange ("CME") urged the Commission to rescind the SOV charge. In the alternative, the two exchanges asked for some degree of relief from the SOV charge in the event that the Commission felt that complete rescission of the charge was not possible. Their letters cited, among other reasons for rescission or the requested relief, that: (a) Short options positions may serve to reduce the risk of a portfolio that would carry greater risk absent the short options positions, and (b) the risks of short option positions are already adequately addressed by the risk-based margining system currently being used by all commodity exchanges in the U.S. and many abroad.

They pointed out that the charge was adopted in 1982, prior to the development of risk-based margining systems. While the charge was intended to serve as an additional regulatory capital safety factor for option positions, they contended that it is now excessive and no longer justified because of the use of margining systems that

² 63 FR 6112 (February 6, 1998), Extension of comment period to March 4, 1998; See also 62 FR 66569 (December 19, 1997), Initial request for comment.

³ 47 FR 41513 (September 21, 1982).

⁴ Commission rules referred to herein can be found at 17 CFR Ch. I (1997).

¹ 47 FR 30261 (July 13, 1982).