

exceeded contributions in all but one year. The Fund's request, however, points out that the deficit in contributions has been more than offset by investment income, and that the Fund "has not yet faced a year when benefit payments exceeded the combined contributions and investment income."

6. The Fund's unfunded vested benefits in 1992, the year prior to Kane's withdrawal, was \$12 million, while in 1993, the figure rose to \$18 million, an increase of 43 percent. In contrast, in 1994, the unfunded vested benefits fell to \$5.8 million. The request asserts that the decline in 1994 "occurred as a result of changes in the PBGC interest rates." In 1980, the Fund's unfunded vested benefits was approximately \$51 million.

#### Comments

All interested persons are invited to submit written comments on the pending request to the PBGC at the above address. All comments will be made part of the record. Comments received, as well as the relevant information submitted in support of the request, will be available for public inspection at the above address.

Issued at Washington, D.C., on this 2nd day of June, 1997.

**John Seal,**

*Acting Executive Director.*

[FR Doc. 97-14942 Filed 6-6-97; 8:45 am]

BILLING CODE 7708-01-P

### PRESIDENT'S COMMISSION ON CRITICAL INFRASTRUCTURE PROTECTION

#### Public Meeting

**ACTION:** St. Louis PCCIP Public Meeting.

**TIME & DATE:** 9:00 a.m.—12:00 Noon, Thursday, June 19, 1997.

**PLACE:** City Hall, Kennedy Room, 208 City Hall, 1200 Market St., St. Louis MO 63103.

**MATTERS TO BE CONSIDERED:** Advice or comments of any concerned citizen, group or activity on assuring America's critical infrastructures.

**Note:** A sign-language interpreter will be available for the hearing-impaired.

**CONTACT PERSON FOR MORE INFORMATION:** Nelson McCouch, Public Affairs Director, (703) 696-9395 nelson.mccouch@pccip.gov.

**Robert E. Giovagnoni,**

*General Counsel, President's Commission on Critical Infrastructure Protection.*

[FR Doc. 97-14898 Filed 6-6-97; 8:45 am]

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38704; File No. SR-CHX-97-11]

#### Self-Regulatory Organizations; Notice of Filing of and Order Granting Temporary Accelerated Approval to a Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to Trading Variations

May 30, 1997.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on May 29, 1997, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 and to grant accelerated approval on a temporary basis to the proposed rule change.

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

The Exchange proposes to modify Article XX, Rule 22 of the CHX's Rules, relating to trading variations.

#### 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 III 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

Article XX, Rule 22 of the Exchange's Rules gives the Exchange's Committee on Floor Procedure the authority to fix minimum variations for bids and offers in specific securities or classes of securities. Pursuant to this authority,

the Exchange proposes to change its minimum variation to  $\frac{1}{16}$  of \$1.00 per share for securities traded both on the Exchange and the Nasdaq National Market that are selling at or greater than \$10.00 and to  $\frac{1}{32}$  of \$1.00 per share for such securities that are selling below \$10.00.

The proposed rule change will become effective upon the Commission's approval and implementation of File No. SR-NASD-97-27.<sup>2</sup> The proposed rule change will only be effective until such time as the Commission approves File No. SR-CHX-97-13, a proposed rule change regarding general changes to the Exchange's Rules on trading variations.

###### 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(5) of the Act<sup>3</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

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

The Exchange believes the proposed rule change will not impose any burden on competition.

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

The Exchange has neither solicited nor received written comments.

#### III. 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 provisions of 5 U.S.C. § 552, will be available for inspection and copying at the Commission's Public Reference

<sup>2</sup> The Commission notes that it approved File No. SR-NASD-97-27 on May 27, 1997. Securities Exchange Act Release No. 38678 (May 27, 1997).

<sup>3</sup> 15 U.S.C. 78f(b)(5).

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

Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Also, copies of such filing will be available for inspection and copying at the principal office of the CHX. All submissions should refer to File No. SR-CHX-97-11 and should be submitted by June 30, 1997.

#### IV. Commission's Findings and Order Granting Accelerated Approval of the Proposed Rule Change

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with the requirements of Section 6 and Section 11A of the Act.<sup>4</sup>

The Commission believes the proposed rule change will likely enhance the quality of the market for the affected Nasdaq securities. Nasdaq currently allows quotes as small as  $\frac{1}{32}$  for Nasdaq securities whose bid price is below \$10.00 and, on June 2, 1997, Nasdaq will implement the necessary systems changes to allow market makers and ECNs to quote Nasdaq securities whose bid price is equal to or greater than \$10.00 in sixteenths. Allowing the CHX to quote these securities in increments finer than eighths will facilitate quote competition.<sup>5</sup> This should help to produce more accurate pricing of such securities and can result in tighter quotations.<sup>6</sup> In addition, if the quoted markets are improved by reducing the minimum increment, the change could result in added benefits to the market such as reduced transaction costs.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the

**Federal Register.** As previously noted, market makers and ECNs will be able to quote Nasdaq securities whose bid is \$10.00 or greater in sixteenths beginning June 2, 1997. Currently, bids and offers for these securities are publicly displayed in eighths.<sup>7</sup> The proposed rule change will enable the CHX to continue to competitively quote such securities. Requiring the Exchange to wait the full statutory review period for the proposed rule change could place the CHX at a significant competitive disadvantage vis-a-vis other markets. At the same time, the proposal is effective only until the Commission acts on File No. SR-CHX-97-13.<sup>8</sup> This will provide the Commission with a sufficient period to receive and assess comments on SR-CHX-97-11. Therefore, the Commission believes it is consistent with Section 6(b)(5) and Section 19(b)(2) of the Act to grant accelerated approval on a temporary basis to the proposed rule change.<sup>9</sup>

#### V. Conclusion

*It Is Therefore Ordered*, pursuant to Section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (SR-CHX-97-11) is hereby approved on an accelerated basis until the Commission acts on File No. SR-CHX-97-13.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-14902 Filed 6-6-97; 8:45 am]

BILLING CODE 8010-01-M

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-38706; File No. SR-OCC-97-02]

#### Self-Regulatory Organizations; the Options Clearing Corporation; Notice of Filing of Proposed Rule Change Regarding the Issuance, Clearance, and Settlement of Options on Unit Investment Trust Interests and Investment Company Shares That Hold Portfolios or Baskets of Common Stock

June 2, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup>, notice is hereby given that on February 21, 1997, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") and on February 21, 1997, and on May 14, 1997, amended the proposed rule change as described in Items I, II, and III below, which Items have been prepared primarily by OCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The purpose of the proposed rule change is to amend OCC's rules and by-laws to permit OCC to issue, clear, and settle options on publicly traded units of beneficial interest of unit investment trusts ("trust units") and on publicly treated shares of open-end management investment companies that hold portfolios or baskets of common stock ("fund shares").

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by OCC.

<sup>4</sup> 15 U.S.C. §§ 78f(b) and 78k-1. In approving this rule change, the Commission notes that it has considered the proposal's impact on efficiency, competition, and capital formation, consistent with Section 3 of the Act. *Id.* § 78c(f).

<sup>5</sup> The rule change is consistent with the Recommendation of the Division of Market Regulation ("Division") in its Market 2000 Study, in which the Division noted that the  $\frac{1}{8}$  minimum variation can cause artificially wide spreads and hinder quote competition by preventing offers to buy or sell at prices inside the prevailing quote. See SEC, Division of Market Regulation, *Market 2000: An Examination of Current Equity Market Developments 18-19* (Jan. 1994).

<sup>6</sup> A study that analyzed the reduction in the minimum tick size from  $\frac{1}{8}$  to  $\frac{1}{16}$  for securities listed on the American Stock Exchange ("Amex") priced between \$1.00 and \$5.00 found that, in general, the spreads for those securities decreased significantly while trading activity and market depth were relatively unaffected. See Hee-Joon Ahn, Charles Q. Chao, and Hyuk Choe, *Tick Size, Spread, and Volume*, 5 J. fin. Intermediation 2 (1996).

<sup>7</sup> Although some ECNs allow increments finer than an eighth, Nasdaq currently rounds all ECN orders for such securities that are priced in sixteenths to the nearest eighth for public display.

<sup>8</sup> File No. SR-CHX-97-13 is a companion filing that requests permanent approval of the procedures described herein.

<sup>9</sup> 15 U.S.C. §§ 78f(b)(5) and 78s(b)(2).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(12).