

which the Plan's modified funding objectives are not met, the special withdrawal liability rules will be void.

The comment raised concerns relating to the potential for increased risk to the insurance system if the proposed Amendment is approved. According to the comment, "[b]y eliminating the requirement that contributions for each Plan Year be at least equal to benefits and administrative costs, the proposed Plan Amendment would slow the Plan's progress towards a fully funded status while increasing the insurance risk on the (PBGC)." The comment states that the Plan's actuarial projections show that the Plan's full funding limit will not be reached for at least another two years and possibly longer, and that the projections show a gradual decline in contributions, not a sudden drop.

In addressing the comment PBGC has considered the actuarial information provided with the request and the response to the comment. The evidence indicates that the west coast shipping industry covered by the Plan has shown steady growth over the past decades, and the growth is projected to continue. The evidence also indicates that as a result of the steady growth in the industry, the Plan's contribution base has been stable and secure. Due to the nature of the industry, departures of individual employers would not pose a risk to the Plan or the PBGC insurance system. In approving the Plan's special withdrawal liability rules in 1984, PBGC found that meeting the associated funding objectives would place the Plan on a "sound long-term financial basis." Those objectives have been met earlier than projected. The proposed modification to the Plan's special withdrawal liability rules is conditioned on the Plan meeting at least the same funding objectives. Therefore, PBGC has concluded that the proposed modification will not pose a significant risk to the insurance system.

Based on the facts of this case and the representations and statements made in connection with the request for approval, PBGC has determined that the Plan Amendment modifying special withdrawal liability rules (1) will apply only to an industry that has characteristics that would make the use of special withdrawal liability rules appropriate, and (2) will not pose a significant risk to the insurance system. Therefore, PBGC hereby grants the Plan's request for approval of a plan amendment modifying special withdrawal liability rules, as set forth herein. PBGC grants approval under the condition that such approval will expire, and the Plan's special withdrawal liability rules will be void

as of the first day of the Plan Year following a Plan Year for which the Plan is not at least eighty-five percent (85%) funded, and during said following Plan Year the Contributions are less than the least of (a) total administrative cost and benefits for said following Plan Year or (b) the amount required to increase the Funding Percentage to eighty-five percent (85%) for said following Plan Year or (c) the maximum tax-deductible contribution to the Plan. The Plan has agreed to certify to these conditions annually. Should the Plan wish to again amend these rules at any time, PBGC approval of the amendment will be required.

Issued at Washington, DC, on this 14th day of May 1998.

David Strauss,

Executive Director.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39987]; File No. SR-CBOE-98-19]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Nominees of Member Organizations

May 12, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("ACT"), 15 U.S.C. 78s(b)(1), notice is hereby given that on May 5, 1998, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") 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 proposes to revise CBOE Rule 3.8, "Nominees," to clarify that a nominee trading for his/her own account pursuant to CBOE Rule 3.8(a)(4)(C) may trade as an independent market maker and/or an independent floor broker.¹ The CBOE also proposes

¹ A member who wishes to act as a market maker and as a floor broker on the same business day is subject to the restrictions of CBOE Rule 8.8, "Restrictions on Acting as a Market-Maker and a Floor Broker."

to replace a reference in CBOE Rule 3.8(a)(4)(C) to the CBOE's Market Surveillance Department with a reference to the Exchange.

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 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

CBOE Rule 3.8(a)(4)(B) provides that a nominee of a member organization may perform floor functions only on behalf of the member organization for which he or she is authorized. However, CBOE Rule 3.8(a)(4)(C) sets forth an exception to this requirement. Specifically, CBOE 3.8(a)(4)(C) provides that, notwithstanding the provisions of CBOE Rule 3.8(a)(4)(B), a nominee may trade for his/her own account provided that the following three requirements are satisfied: (i) the nominee is a registered broker-dealer; (ii) the nominee has the prior written approval of the nominee's member organization to trade for his/her own account; and (iii) the nominee has the prior written approval of the Exchange's Market Surveillance Department to trade for his/her own account. CBOE Rule 3.8(a)(4)(C) also provides that the approval of the nominee's member organization and of the CBOE's Market Surveillance Department must be filed with the CBOE's Membership Department.

In addition, CBOE Rule 3.8(a)(2) requires a nominee's member organization to guaranty all obligations arising out of the nominee's representation of the member organization, including transactions for the nominee's own account as authorized pursuant to CBOE Rule 3.8(a)(4)(C).

The purpose of the proposal is to clarify that authorization of a nominee

to trade for his/her own account pursuant to CBOE Rule 3.8(a)(4)(C) means authorization of the nominee to trade as an independent market maker and/or as an independent floor broker.² Accordingly, the proposal amends CBOE Rule 3.8 by replacing the references to trading by a nominee for his/her own account with references to trading by a nominee as an independent market maker and/or as an independent floor broker.

According to the CBOE, this clarification is consistent with the manner in which the CBOE departments that have administered CBOE Rule 3.8(a)(4)(C) have interpreted the rule and is intended to eliminate any potential ambiguity as to whether CBOE Rule 3.8(a)(4)(C) only authorizes a nominee to act as an independent market maker.³ Additionally, the CBOE believes that, as a matter of regulatory policy, there is no reason to distinguish between a nominee acting as an independent market maker and a nominee acting as an independent floor broker given that, in either instance, the nominee must have prior written authorization to do so from both the nominee's member organization and from the Exchange, the nominee must be a registered broker-dealer, and the nominee's transactions will be guaranteed by the nominee's member organization.

The proposed rule change also replaces the references in CBOE Rule 3.8(a)(4)(C) to the CBOE's Market Surveillance Department with a reference to the Exchange. The reason for this change is twofold. First, the CBOE's Market Surveillance Department recently was combined into the CBOE's Department of Market Regulation. Second, the Exchange body or bodies that grant approvals under CBOE Rule 3.8(a)(4)(C) may change over time. Currently, Exchange approval under CBOE Rule 3.8(a)(4)(C) is required from both the CBOE's Department of Market Regulation and the CBOE's Membership Committee.

Finally, the CBOE notes that all of the provisions in paragraphs (a)(2), (a)(3), and (a)(4) of CBOE Rule 3.8 which are applicable to nominees are also

applicable to a person who has registered his or her membership for a member organization because, under Section 2.4 of the CBOE Constitution ("Registration of Individual Memberships for Member Organizations") such a person represents a member organization is lieu of a nominee. Therefore, the requirements of CBOE Rule 3.8(a)(4)(C) also are applicable to a person who has registered his or her membership for a member organization and desires to also act as an independent market maker and/or as an independent floor broker.

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5), in particular, in that the proposed change will clarify the Exchange's rules and is thus designed to remove impediments to and perfect the mechanism of a free and open market.

(B) Self-Regulatory Organization's Statement on Burden on Competition

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

(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

Because the foregoing rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁴ and subparagraph (e)(1) of Rule 19b-4 thereunder.⁵ At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such 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.⁶

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing,

including whether it is consistent with the Act. 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 Section, 450 Fifth Street, N.W., Washington, D.C. 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-98-19 and should be submitted by June 10, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments and Recommendations

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

DATES: Comments should be submitted on or before July 20, 1998.

FOR FURTHER INFORMATION CONTACT: Curtis B. Rich, Management Analyst, Small Business Administration, 409 3rd Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629.

SUPPLEMENTARY INFORMATION:

Title: "Servicing Agent Agreement".

Type of Request: New Request.

Form No: 1506.

Description of Respondents: Persons filling out Servicing Agent Agreement and Certified Development Companies.

Annual Responses: 4,800.

Annual Burden: 800.

² As noted above, a member who wishes to act as a market maker and as a floor broker on the same business day is subject to the restrictions of CBOE Rule 8.8. See note 1, *supra*.

³ A member (or the Exchange) providing authorization under CBOE Rule 3.8(a)(4)(C) may specify the capacity in which the nominee may act (*ie.*, the nominee may be authorized to act solely as a floor broker, solely as market maker, or in both capacities), Telephone conversation between Arthur B. Reinstein, Assistant General Counsel, CBOE, and Yvonne Fraticelli, Attorney, Division of Market Regulation, Commission, on May 8, 1998.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(e)(1).

⁶ In reviewing this proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 17 CFR 200.30-3(a)(12).