

that the market has traded at that price and that the conditional order has now become executable in accord with the firm's understanding with its customer. Such orders generally are not intended to offset to any significant degree other executions by the market maker.

Under the definition above, these executions would appear to merit riskless principal treatment to the extent of the size of the marker order. However, given the purpose for which such marker orders are used, Nasdaq believe that these should not require the breakup of the order into two separate components to distinguish between a risk and riskless portion, provided the marker order is no larger than 10% of the size of an execution or group of executions that it would trigger. It was felt that the nominal size of the marker order did not to any material extent change the overall risk profile of the order.

For example, after receiving an order for 5000 shares, a firm places a marker order of 500 shares on an exchange. The marker order, which is executed, then triggers the 5000 share order. The firm would report the 5000 shares in its entirety. In another example, the marker order triggers 10 different orders of 500 shares each for a total of 5000 shares. Similarly, each of these 500 share executions also are reported.

Another example involves how an order of 2500 shares would be reported if 2400 shares were sent to the floor and had been executed. The 2400 shares would be reported by the exchange, and thus the 100 shares would be separately reported as a risk trade by the market maker.

Accordingly, Nasdaq is proposing a rule change and corresponding interpretations as described above to ensure that all riskless principal trades, including those effected by market makers, are reported only once. Specifically, the text of the proposed rule change is in the form of amendments to NASD Rule 6420(d)(3)(B).

2. Statutory Basis

Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act⁷ in that the proposed rule change will result in more accurate, reliable, and informative information regarding last sale transaction reports. Section 15A(b)(6) requires that the rules of a registered national securities association be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principals of

trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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; and are not designed to permit unfair discrimination between customers, issuers, brokers, or dealers.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments 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 proposed 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, including whether the proposed rule change is consistent with the Act. Persons making written submission 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 in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to file number SR-NASD-98-08 and should be submitted by June 26, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-14921 Filed 6-4-98; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

The Chief Information Officer of the Social Security Administration Grants to the Social Security Administration a Waiver From the Use of Certain Federal Information Processing Standards

AGENCY: Social Security Administration (SSA).

ACTION: Notice.

SUMMARY: The Chief Information Officer of the Social Security Administration grants to SSA a waiver from the use of the following Federal Information Processing Standards (FIPS):

1. The Secure Hashing Standard (FIPS 180-1);
2. The Digital Signature Standard (FIPS 186); and
3. The Data Encryption Standard (FIPS 46-2).

This waiver is granted pursuant to authority granted to the Secretary of Commerce by 40 U.S.C. section 1441, and delegated to the Commissioner of Social Security in the above referenced FIPS Publications. This authority was redelegated by the Commissioner of Social Security to the Agency's Chief Information Officer. This waiver is granted to allow SSA to use commercial off-the-shelf cryptographic products such as those produced by RSA Data Security, Inc., in lieu of products conforming with the above-cited FIPS.

DATES: This waiver was effective January 26, 1998, and will remain in effect until the commercial off-the-shelf cryptographic products selected by SSA come under a FIPS or until it is rescinded by the Agency's Chief Information Officer.

FOR FURTHER INFORMATION CONTACT: Joan Hash, Systems Security Officer, Social Security Administration, Room 3206 Annex Building, 6401 Security

⁷ 15 U.S.C. 78o-3.

⁸ 17 CFR 200.30-3(a)(12).

Boulevard, Baltimore, Maryland 21235.
Phone (410) 965-2765.

SUPPLEMENTARY INFORMATION: The FIPS cited above establish Federal standards for generating digital signatures, encrypting sensitive information transmitted over open networks such as the Internet, and storing this information electronically. Each of the cited FIPS also allows the heads of Federal Agencies to waive the use of the FIPS if certain conditions are met.

A waiver shall be granted by an Agency head only when:

a. Compliance with a standard would adversely affect the accomplishment of the mission of an operator of a Federal computer system, or

b. Cause a major adverse financial impact on the operator that is not offset by Government-wide savings.

The Agency's Chief Information Officer has determined that compliance with the referenced FIPS would adversely affect the accomplishment of the mission of the SSA and accordingly has granted a waiver from the use of the referenced FIPS.

SSA has a customer base of over 260,000,000 people, including individuals, businesses, small employers, organizations, and other Federal, State, and local government agencies. To accomplish the mission of serving these customers cost effectively, SSA is pursuing the use of electronic service delivery technologies, including the Internet.

SSA has found that an increasingly large number of its customers prefer to work with the Agency directly through Internet services. To effectively serve them, SSA must use commercially accepted and available off-the-shelf products. The above referenced FIPS provide for the use of products which have not gained wide acceptance commercially, and these standards are not incorporated in commercial off-the-shelf products. Notably, the Internet Browsers published by MICROSOFT and NETSCAPE, together representing 93% of the publicly used browsers, do not use the algorithms published in the referenced FIPS.

Therefore, SSA is granted a waiver from the use of the cryptographic requirements contained in the referenced FIPS in order to allow the Agency to use commercially available and accepted off-the-shelf products.

In accordance with FIPS requirements, notice of this waiver will be sent to the National Institute of Standards and Technology, the Committee on Government Reform and Oversight of the House of Representatives, and the Committee on Governmental Affairs of the Senate.

Dated: January 26, 1998.

John R. Dyer,

Chief Information Officer, Social Security Administration.

[FR Doc. 98-14902 Filed 6-4-98; 8:45 am]

BILLING CODE 4190-29-P

DEPARTMENT OF STATE

[Public Notice No. 2801]

Office of Defense Trade Controls; Notifications to the Congress of Proposed Export Licenses

AGENCY: Department of State.

ACTION: Notice.

SUMMARY: Notice is hereby given that the Department of State has forwarded the attached Notifications of Proposed Export Licenses to the Congress on the dates shown on the attachments pursuant to section 36(c) and in compliance with section 36(e) of the Arms Export Control Act (22 U.S.C. 2776).

EFFECTIVE DATE: As shown on each of the six letters.

FOR FURTHER INFORMATION CONTACT: Mr. William J. Lowell, Director, Office of Defense Trade Controls, Bureau of Political-Military Affairs, Department of State, (703) 875-6644.

SUPPLEMENTARY INFORMATION: Section 38(d) of the Arms Export Control Act mandates that notifications to the Congress pursuant to section 36(c) must be published in the **Federal Register** when they are transmitted to Congress or as soon thereafter as practicable.

Dated: May 4, 1998.

William J. Lowell,

Director, Office of Defense Trade Controls.

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