

one of the Prior Applicants, is the principal underwriter and distributor for each of the Centura series. Pursuant to separate agreements with the Centura series, BISYS Services also serves as transfer agent and provides fund accounting services for each of the Centura series.

6. The New Applicants seek to have the exemptive relief granted under the Amended Order extended to include them so as to permit the non-money market series of the New Funds which are advised by the New Advisers to utilize Uninvested Cash to purchase shares of one or more of the money market series of the New Funds which are advised by the New Advisers.³ The New Applicants consent to the conditions set forth in the original application and agree to be bound by the terms and provisions of the Amended Order to the same extent as the Prior Applicants. The New Applicants believe that granting the requested order is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-22643 Filed 8-21-98; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of August 24, 1998.

A closed meeting will be held on Thursday, August 27, 1998, at 10:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has

certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, August 27, 1998, at 10:00 a.m., will be:

Institution of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters, have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: August 20, 1998.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-22752 Filed 8-20-98; 11:42 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40330; File No. SR-DTC-98-8]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Increasing the Maximum Net Debit Cap and Modifying Procedures for Allocating the Net Debit Cap

August 17, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 11, 1998, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-DTC-98-8) as described in Items I and II below, which items have been prepared primarily by DTC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of 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 increase the maximum net debit cap employed in DTC's settlement system by \$250 million and to modify DTC's procedures for allocating the net

debit cap of a participant having more than one account family.

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

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

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

Increase of Maximum Net Debit Cap

DTC's principal risk is the possible failure of one or more of its participants to settle their net debit obligations with DTC at the end of a business day. In order to assure that DTC is able to complete settlement on the day of a participant failure, DTC currently maintains liquidity resources of \$1.1 billion, including a cash Participant's Fund of \$400 million³ and a \$700 million committed line of credit with a consortium of banks.

DTC's settlement system imposes net debit caps on all participants. Each participant's net debit is limited throughout the processing day to a net debit cap that is the lesser of the following four amounts: (1) a net debit cap based on the average of the three largest net debits that the participant incurs over a rolling 70 business-day period; (2) an amount, if any, determined by the participant's settling bank; (3) an amount, if any, determined by DTC; or (4) \$900 million (an amount that is \$200 million less than the current amount of DTC's total liquidity resources).

DTC also requires that each participant's net settlement debit be

² The Commission has modified the text of the summaries prepared by DTC.

³ Each participant is required to make a deposit to the Participant's Fund based upon a sixty business-day rolling average of the participant's six highest intraday net debit peaks. The aggregate amount of all participants' required deposits is \$400 million. In the event that DTC becomes concerned with a participant's operational or financial soundness, DTC may require it to make an additional deposit to the Participant's Fund. A participant may make a voluntary deposit to the Participant's Fund in excess of the amount required. Since DTC fully converted to a same-day funds settlement system in 1995, the total amount of the Participant's Fund, including voluntary deposits, has never been less than \$650 million.

³ The requested relief also would extend to any other registered open-end management investment companies advised by the New Advisers or any person directly or indirectly controlling, controlled by, or under common control with the New Advisers, and for which BISYS or any person directly or indirectly controlling, controlled by, or under common control with BISYS, now or in the future serves as principal underwriter.

¹ 15 U.S.C. 78s(b)(1).

fully collateralized. In the event of a participant's failure to settle, DTC will first use cash in the Participant's Fund (including any voluntary deposits) as a liquidity resource to complete settlement. If the Participant's Fund is not sufficient, DTC will borrow from its line of credit banks, pledging collateral securities in the failing participant's account.

Over the past two years DRTC's average gross daily settlement volumes have increased approximately 40% from \$240 billion in 1996 to \$340 billion in 1997, with daily peak volumes in excess of \$400 billion on several occasions. "Settlement progress payments" (i.e., funds sent by participants to DTC during the day primarily when a participant's settlement balance has reached its net debit cap) have increased from a daily average of \$11.5 billion in 1996 to \$15.8 billion in 1997 with daily peaks in excess of \$20 billion. In 1997 the number of instances where the \$900 million debit cap operated to block transactions ranged from a low of 46 in January to a high of 74 in October.

DTC is concerned that maintaining the maximum net debit cap at its current level of \$900 million will continue to have the undesirable effect of temporarily blocking substantial numbers of book-entry delivery. In order to ease the flow of transactions through its system, DTC has decided to increase its committed line of credit from \$700 million to \$1 billion, thereby increasing total liquidity to \$1.4 billion, and proposes to increase the maximum net debit cap from \$900 million to \$1.15 billion.

Modification of Net Debit Cap Allocation Procedures

The proposed modification of DTC's procedures for allocating the net debit cap of a participant having more than one account family is also designed to facilitate transaction flow by providing participants that act as issuing/paying agents ("IPAs") in DTC's Money Market Instrument ("MMI") program greater flexibility in allocating their total net debit cap.

Under DTC's procedures, participants that maintain separate families of accounts may allocate their net debit caps among their account families at their discretion, or alternatively, they may rely on DTC's system-generated allocations.⁴ Each family's net debit cap is applied to that family only and not shared by other families of the

participant. The aggregate of the net debit caps allocated to a participant's families must be equal to the participant's total net debit cap. For each participant that acts as an IPA, however, DTC currently requires that the portion of the total net debit cap allocated to the participant's IPA family be no less than the system-generated allocation. Some IPAs have expressed concern that this requirement unnecessarily inhibits their ability to match the allocation of net debit cap with important activities occurring in their other account families.

In response to these concerns, DTC proposes to apply the mandatory allocation only to IPAs having average daily maturity presentments measured over the most recent month equal to or greater than 5% of DTC's total MMI maturity presentments. Further, DTC proposes to modify the system-generated allocation formula applicable to such a participant so that no more than 40% of its total net debit cap would have to be allocated to its IPA family. DTC believes that these modifications strike an appropriate balance between attempting to assure that MMI maturity presentments to IPAs are not blocked due to insufficient net debit cap and allowing IPAs to manage efficiently the processing of their other activities at DTC.

The proposed rule change is consistent with the requirements of the Act, as amended, and the rules and regulations thereunder because it promotes the prompt and accurate clearance and settlement of securities transactions.

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

DTC 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

DTC has not solicited or received comments on the proposed rule change. Informally, a number of participants have expressed support for the subject proposals.

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

Section 17A(b)(3)(F)⁵ of the Act requires that the rules of a clearing agency be designed to assure the

safeguarding of securities and funds which are in the custody or control of the clearing agency and generally to protect investors and the public interest. The Commission believes that the proposed rule change is consistent with DTC's obligations under the Act because an increase in DTC's liquidity resources will help DTC protect itself, its members, and investors from the risks associated with the failure of one or more of its participants to settle their obligation with DTC at the end of a business day. Furthermore, DTC's new maximum net debit cap will constitute a lower proportion of its liquidity resources than was previously the case.

The Commission also believes that DTC's modifications to its procedures for allocating the net debit cap of a participant having more than one account family are consistent with DTC's obligation under the Act. While the modifications will allow participants more flexibility in allocating their net debit cap, their total net debit cap will still be calculated according to the method which the Commission has previously approved as a safe and sound method.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing because accelerated approval will allow DTC to immediately increase its liquidity resources.

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 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-98-8 and

⁴ The system-generated allocations are calculated based on the average of each family's three highest net debit peaks over a rolling 70 business-day period.

⁵ 15 U.S.C. 78q-1(b)(3)(F).

should be submitted by September 14, 1998.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-98-8) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-22577 Filed 8-21-98; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 04/04-0272]

CapSource Fund, L.P.; Notice of Issuance of a Small Business Investment Company License

On August 28, 1997, an application was filed by CapSource Fund, L.P., at 500 Northpointe Parkway, Suite 300, Jackson, MS 39211, with the Small Business Administration (SBA) pursuant to Section 107.300 of the Regulations governing small business investment companies (13 CFR 107.300 (1997)) for a license to operate as a small business investment company.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 04/04-0270 on May 22, 1998, to CapSource Fund, L.P. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: August 14, 1998.

Don A. Christensen,

Associate Administrator For Investment.

[FR Doc. 98-22635 Filed 8-21-98; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3122]

State of Indiana

Miami County and the contiguous counties of Cass, Fulton, Grant, Howard, and Wabash in the State of Indiana constitute a disaster area as a result of damages caused by severe storms, high winds, and torrential rain that occurred on July 21, 1998. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on October 15, 1998 and for economic injury until the close of

business on May 14, 1999 at the address listed below or other locally announced locations: Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rates are:

	Percent
For physical damage:	
Homeowners with credit available elsewhere	6.875
Homeowners without credit available elsewhere	3.437
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000
Others (including non-profit organizations) with credit available elsewhere	7.125
For economic injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The numbers assigned to this disaster are 312206 for physical damage and 997300 for economic injury.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: August 14, 1998.

Aida Alvarez,

Administrator.

[FR Doc. 98-22636 Filed 8-21-98; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Economic Injury Disaster #9974]

State of New York and Contiguous Counties in the State of New Jersey

New York County and the contiguous counties of Bronx, Kings, Queens, and Richmond in the State of New York, and Bergen and Hudson Counties in the State of New Jersey constitute an economic injury disaster loan area as a result of a construction accident that occurred on July 21, 1998 in Manhattan. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance as a result of this disaster until the close of business on May 14, 1999 at the address listed below or other locally announced locations: Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd, South 3rd Floor, Niagara Falls, NY 14303.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

The economic injury number for the State of New Jersey is 997500.

(Catalog of Federal Domestic Assistance Program No. 59002)

Dated: August 14, 1998.

Aida Alvarez,

Administrator.

[FR Doc. 98-22637 Filed 8-21-98; 8:45 am]

BILLING CODE 8025-01-P

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Renewal of Preferential Treatment for Government Purchases of Products from Caribbean Basin Countries

AGENCY: Office of the U.S. Trade Representative.

ACTION: Notice; request for comments.

SUMMARY: The Trade Policy Staff Committee (TPSC) is requesting written public comments on the possible renewal of preferences that certain federal government agencies accord in their purchases to eligible products of countries designated under the Caribbean Basin Economic Recovery Act (commonly called the Caribbean Basin Initiative or CBI). Since 1995, these preferences have been granted in one-year extensions, the most recent of which, set out in the **Federal Register** on October 31, 1997 (62 FR 59014), remains in effect until September 30, 1998. That notice stated that future extension for any CBI countries would be conditioned on individual CBI beneficiaries' participation and cooperation in initiatives and agreements on government procurement in the World Trade Organization (WTO) and the Free Trade Area of the Americas (FTAA) Working Group on Government Procurement. The TPSC seeks public comments in connection with its consideration of a further extension of preferences for products of CBI countries.

DATES: Public comments are due by noon September 23, 1998.

FOR FURTHER INFORMATION CONTACT: Mary Barnicle, Director for Central America and the Caribbean, (202) 395-5190, Office of the United States Trade Representative (USTR).

SUPPLEMENTARY INFORMATION: Since 1986 the United States has granted products of CBI countries the same government purchase preference that it grants to products of countries that are members of the Government Procurement Agreement (GPA) (currently administered by the WTO). This preference does not apply to products originating in CBI countries that are excluded from duty-free treatment under 19 U.S.C. 2703(b). A list of CBI beneficiary countries appears as an annex to this notice.

⁶ 17 CFR 200.30-3(a)(12).